



CITY OF MORGAN HILL
COMMUNITY DEVELOPMENT DEPARTMENT, PLANNING DIVISION

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PLANNING COMMISSION

TUESDAY, FEBRUARY 24, 2009

**CITY COUNCIL CHAMBERS
CIVIC CENTER
17555 PEAK AVENUE
MORGAN HILL, CA**

COMMISSIONERS

CHAIR, SUSAN KOEPP-BAKER
VICE-CHAIR, COMMISSIONER WAYNE TANDA
COMMISSIONER H. GENO ACEVEDO
COMMISSIONER ROBERT L. ESCOBAR
COMMISSIONER RALPH LYLE
COMMISSIONER JOHN A. MONIZ
COMMISSIONER JOSEPH H. MUELLER

REGULAR MEETING - 7:00 P.M.

***** A G E N D A *****

NOTICE TO THE PUBLIC

The following policies shall govern the conduct of the Planning Commission meetings:

- *All Planning Commission proceedings are tape-recorded.*
- *Individuals wishing to address the Planning Commission on a particular item should fill out a speaker card and present it to the Secretary. This will assist the Chairperson in hearing your comments at the appropriate time.*
- *When the Chairperson invites you to address the Commission, please state your name and address at the beginning of your remarks.*
- *Speakers will be recognized to offer presentations in the following order:*
 - *Those supporting the application*
 - *Those opposing the application*
 - *Those with general concerns or comments*
 - *Presentations are limited to 5 minutes*

**DECLARATION OF POSTING OF AGENDA IN ACCORDANCE WITH
GOVERNMENT CODE SECTION 54954.2 - SECRETARY REPORT**

OPEN PUBLIC COMMENT PERIOD (5 MINUTES)

Now is the time for presentation from the public on items **NOT** appearing on the agenda that are within the Planning Commission's jurisdiction. Should your comments require Commission action, your request will be placed on the next appropriate agenda. No Commission discussion or action may be taken until your item appears on a future agenda. You may contact the Planning Division for specific time and dates. This procedure is in compliance with the California Public Meeting Law (Brown Act) G.C. 54950.5. Please limit your comments to five (5) minutes.

MINUTES: February 10, 2009

PUBLIC HEARINGS:

- 1) **FINAL AWARD AND DISTRIBUTION OF THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) SMALL PROJECT, MULTI-FAMILY RENTAL AND OPEN MARKET PROJECT COMPETITIONS FOR THE FISCAL YEAR 2010-2011 BUILDING ALLOTMENT AND PARTIAL ALLOTMENT INTO FY 2011-12:**

Recommendation: Adopt Resolution approving the award of building allotments for projects in Multi-Family Rental, Small and Open Market competition categories.

- 2) **DEVELOPMENT AGREEMENT AMENDMENT, DAA-07-02C/DEVELOPMENT SCHEDULE AMENDMENT, DSA-07-18C: CORY-HABITAT FOR HUMANITY:** A request to amend the project development agreement and development schedule for the six unit project located on the east side of Cory Ave. approximately 80 ft. south of San Luis Way. The amendments would extend the commencement of construction dates and the development schedule dates by 12 months. (APN 817-31-053)

Recommendation:

- 1) Open Public Hearing;
- 2) Adopt Resolution with recommendation to forward development agreement amendment to the City Council for approval; and
- 3) Adopt Resolution approving development schedule amendment request.

- 3) **USE PERMIT AMENDMENT, UPA-00-02: LLAGAS-OLD MORGAN HILL ELEMENTARY SCHOOL:** A request to amend the conditional use permit relating to the operation of a private elementary school located at 410 Llagas Rd. The proposed amendment would allow the current enrollment limit of 130 students to increase by 70 students to a maximum enrollment of 200 students. The project site is zoned R-1 (7000) single family residential. (APN 764-32-006)

Recommendation: Open Public Hearing/Continue request to the March 10, 2009 Planning Commission meeting.

- 4) **ZONING AMENDMENT, ZA-08-06: CONDIT-KUBO:** The applicant is requesting approval of a zoning amendment to establish a precise development plan and planned development (PD) guidelines to allow future construction of three auto dealerships and the inclusion of an existing auto dealership (The Ford Store) in a PD area located between Condit Rd. and Highway 101, directly south of Diana Ave. The PD area is 25.86 acres in size and is zoned PUD, Planned Unit Development; car dealerships are currently permitted uses within the PD. (APNs 728-17-011, -025, & -026)

Recommendation: Open Public Hearing/Adopt Resolution with recommendation to forward the zoning amendment request to the City Council for approval.

- 5) **ZONING AMENDMENT, ZAA-98-16B: CONDIT-HORIZON LAND/FORD STORE:** The applicant is requesting approval to amend an existing precise development plan and planned development (PD) guidelines for a PD area referred to as the Horizon Land PD, located between Condit Rd. and Highway 101, approximately 1,130 ft. south of Diana Ave. The purpose of the amendment is to exclude The Ford Store dealership from the Horizon Land PD so that it may be included in an adjacent PD area proposed specifically for auto dealerships. (APN 728-17-026)

Recommendation: Open Public Hearing/Adopt Resolution with recommendation to forward the zoning amendment request to the City Council for approval.

- 6) **USE PERMIT, UP-09-01: MONTEREY-CITY OF MH PARKING LOT:** The Morgan Hill Public Works Department is requesting approval of a conditional use permit to construct and operate an interim public parking lot on a 0.26-acre site located at 17270 Monterey Rd. in the CC-R, Central Commercial-Residential Zoning District. (APNs 726-13-038 & -039)

Recommendation: Open Public Hearing/Adopt Resolution with recommendation to forward the conditional use permit request to the City Council for approval.

TENTATIVE AGENDA FOR THE MARCH 10, 2009 MEETING

- General Plan Implementation Report
- Amendment to Seismic Combining District Chapter 18.43 of the City of M.H. Municipal Code
- Emergency Response Plan

ANNOUNCEMENTS:

CITY COUNCIL REPORTS

ADJOURNMENT

SPEAKER CARD

IN ACCORDANCE WITH GOVERNMENT CODE 54953.3, IT IS NOT A REQUIREMENT TO FILL OUT A SPEAKER CARD IN ORDER TO SPEAK TO THE PLANNING COMMISSION. HOWEVER, it is very helpful to the Commission if you would fill out the Speaker Card that is available on the counter in the Council Chambers. Please fill out the card and return it to the Deputy City Clerk. As your name is called by the Chairperson, please walk to the podium and speak directly into the microphone. Clearly state your name and address and proceed to comment upon the agenda item. Please limit your remarks to three (3) minutes.

NOTICE
AMERICANS WITH DISABILITY ACT (ADA)

The City of Morgan Hill complies with the Americans with Disability Act (ADA) and will provide reasonable accommodation to individuals with disabilities to ensure equal access to all facilities, programs and services offered by the City.

If assistance is needed regarding any item appearing on the Planning Commission agenda, please contact the Office of the City Clerk at City Hall, 17555 Peak Avenue or call 779-7259 or Hearing Impaired only - TDD 776-7381 to request accommodation.

NOTICE

NOTICE IS GIVEN pursuant to Government Code Section 65009, that any challenge of any of the above agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the Planning Commission at, or prior to the Public Hearing on these matters.

NOTICE

The time within which judicial review must be sought of the action taken by the Planning Commission which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.

NOTICE

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act that are distributed to a majority of the Planning Commission less than 72 hours prior to an open session, will be made available for public inspection at the Office of the City Clerk at Morgan Hill City Hall located at 17555 Peak Avenue, Morgan Hill, CA, 95037 at the same time that the public records are distributed or made available to the Planning Commission. (Pursuant to Government Code 54957.5)

DRAFT



COMMUNITY DEVELOPMENT DEPARTMENT

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PLANNING COMMISSION MEETING MINUTES

REGULAR MEETING

FEBRUARY 10, 2009

PRESENT: Acevedo, Koepp-Baker, Escobar, Lyle, Moniz, Mueller, Tanda

ABSENT: None

LATE: None

STAFF: Planning Manager (PM) Rowe and Minutes Clerk Johnson.

Chair Koepp-Baker called the meeting to order at 7:00 p.m., inviting all present to join as she led the pledge of allegiance to the U.S. flag.

DECLARATION OF POSTING OF AGENDA

Minutes Clerk Johnson certified that the meeting's agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

WELCOME TO NEW COMMISSIONER

All present joined Chair Koepp-Baker as she welcomed Morgan Hill's new Planning Commissioner, John Moniz.

OPPORTUNITY FOR PUBLIC COMMENT

Chair Koepp-Baker opened the floor to public comment for matters not appearing on the agenda.

Noting that no others in attendance expressed a wish to address items not appearing on the agenda, the public hearing was closed.

CONSENT CALENDAR:

MINUTES:

**JANUARY 27,
2009**

COMMISSIONERS MUELLER/ESCOBAR MOTIONED TO APPROVE ITEMS 1-2-4-5 OF THE MINUTES AS CORRECTED BY STAFF FOLLOWING RECEIPT OF COMMENTS FROM THE COMMISSIONERS. THE MOTION PASSED (6-0-1-0) WITH THE FOLLOWING VOTE: AYES: ACEVEDO,

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**KOEPP-BAKER, ESCOBAR, LYLE, MUELLER, TANDA; NOES: NONE;
ABSTAIN: MONIZ; ABSENT: NONE.**

**JANUARY 27,
2009, ITEM #3**

**COMMISSIONERS MUELLER/ESCOBAR MOTIONED TO APPROVE
THE JANUARY 27, 2009 MINUTES (item 3) AS CORRECTED BY STAFF
FOLLOWING RECEIPT OF COMMENTS FROM THE COMMISSIONERS.
THE MOTION PASSED (5-0-2-0) WITH THE FOLLOWING VOTE: AYES:
ACEVEDO, KOEPP-BAKER, ESCOBAR, MUELLER, TANDA; NOES: NONE;
ABSTAIN: MONIZ, LYLE; ABSENT: NONE.**

**PUBLIC
HEARINGS:**

Commissioner Moniz was excused at 7:05 p.m. due to the potential for conflict of interest as he has represented some of the applicants who have an interest in items to be heard with this agenda item.

**1) FINAL
AWARD AND
DISTRIBUTION
OF THE RDCS
SMALL
PROJECT,
MULTI-FAMILY
RENTAL AND
OPEN MARKET
PROJECT
COMPETITIONS
FOR THE
FY 2010-2011
BUILDING
ALLOTMENT**

PM Rowe presented the staff report with an overview of the matter:

- previously held public hearings (12/9-10/2008)
- approval of final scores 1/13; followed by 15 day appeal period; none filed
- current application submissions for RCDS allocations in the project categories
 - ◇ Small (three)*
 - ◇ Multi-Family Rental (one)* ~ apartments
 - *scored administratively but to be memorialized by the Commission
 - ◇ Open/Market (six)
 - ◇ Open Rate Market
- new resolution needed for On-Going projects
- this meeting: need to recommend distribution of building allotments as recommended:

Fiscal year 2010/11

MC-08-08: Monterey Dynasty	68
MC-08-24: W. Dunne – So Valley Developers	8
MC-0813: Clayton – O'Brien	5
MC-08-17: E. Central - Sheng	17
MC-08-16: Peet - Borello	20
MC-08-22: Murphy – Pan Cal	24
Set- aside: On-going projects	75
Building allotment/ Micro projects	4
Total	221

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PM Rowe then detailed the various categories and stressed a goal of minimizing the number of second year allocations. He also noted that MC-08-17 was the top scoring project in the open market category, and MC-08-16 in second place. Other information PM Rowe presented included:

- ongoing list originally included 5; one has gotten full allocations, so 4 remaining
- West Dunne - South Valley fully allocated ~ 1st year
- handout distributed for current on-going projects; how many allocated to date and balance for build out remainder; what will be needed for full build out

PM Rowe advised that pursuant to the Municipal Code and in order to complete projects, the following was recommended for receiving approval to phase a portion of their requested building allotment into the **2010-11 fiscal year**.

Project	Allocations
MC-08-24: W. Dunne – South Valley Dev.	6
MC-08-13: Clayton – O’Brien	2
MC-08-17: E. Central - Sheng	15
Total	23

Commissioners asked questions regarding specific items of interest:

- Monterey Dynasty
- wording of the resolution title
-

Chair Koepp-Baker opened the public hearing.

Scott Schilling, 16060 Caputo Dr., #160, thanked staff and the Commissioners for the consideration given to all applicants. “I would like to raise one issue,” he said. “In the Open Market category, the East Dunne-Church project (50 units) located across from the Community Center tied before the last round; then with scoring modifications that created some questions, (no offense to the Borello project) all three projects were close in the scoring. The point from the Commissions is supposed to be based on past performance. I’ve been here 20 years and I feel this is an excellent project in relation to the Community Center and City Hall loves the layout. As a developer, I have gone to great lengths to be fair with the City and I think the City feels the same about me. The 2 - 2 vote was very disappointing – and negated an ability to garner a point. I think this is an excellent project by an excellent developer who has dealt with the City in an honest and upright manner. I would respectfully ask that the point be reexamined and awarded to the project.”

John Telfer, 17045 Monterey Rd., said of Mr. Schilling: “This is a developer (Mr. Schilling) I’ve known for years and he is an excellent – no, a great builder.” Mr. Telfer continued, “As way of disclosure, I am the representative for three of the projects under discussion/consideration tonight (Monterey Dynasty; E Central-Sheng, Delco). In the amended resolution on-going projects, Jasper Park has been taken off the list. I called DeNova (Don Lapidus is the representative) and asked if they had received notice of that, and they said they had not.”

Mr. Telfer then asked for clarification of several issues:

- Monterey-Dynasty – how many units are needed for completion

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- in the original Resolution (in the distributed packet) Jasper Park (2 units) should be added
- Borello originally asked for a two-phase allocation, which is important in planning and placing up-front improvements
- Jasper Park is an on-going project not included in resolution and should be entitled to the automatic 15 units per year thereafter

Vince Burgos, Development Process Consultants, was present to speak to the application for the Multi-Family Rental. Commissioner Lyle said, "We understand that you have told PM Rowe that 68 units would now be preferable?" Mr. Burgos responded, "Our clients are more comfortable with 68, rather than 69. One modular building will be smaller. So the project 'works better' with 68 units and our clients felt more comfortable with that number. Therefore, in the two phases, we would like 44 and 24."

With no others present to speak to the matter, the public hearing was closed.

It was clarified that, the staff recommendation for the top set of numbers is correct, and 15 allocations should be added to the second/bottom set to reflect:

E. Dunne – Dempsey - Jasper Park ~ 15 allocations

Commissioner Mueller observed, "The problem is: what happens in outlying years? We're going to end up with nine projects that are ongoing. I'm unsure of how all those will get allocations in the future."

Commissioner Lyle agreed, saying: "It may become that the 15 automatic cannot be automatic. Unfortunately, we will not know until May."

"Historically that's what we've tried to do," Commissioner Mueller said. "We would like to continue, but I'm not sure where to get that many allocations."

Commissioners engaged in lengthy discussion regarding the issues, with the following being noted:

- need for flexibility in assigning allocations to on-going projects [this generated considerable discussion]
- specific projects which have received allocations but not yet gotten underway
- numbers of allocations for projects to be worked on in 2011-12
- E. Dunne-Church St. project ~ very near Downtown; would help with what the City is trying to do Downtown

Chair Koepp-Baker was asked to reopen the public hearing.

Responding to Commissioner's questions, Mr. Schilling provided details of the E. Dunne – Church St. project:

- seven cottages facing Church Street; {currently} 11 facing East Dunne Ave
- need a minimum of five of the 7 to start to make the improvements for the street feasible
- work in blocks (groups) of 5- 6 in future years

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The public hearing was closed.

Commissioners continued discussion of:

- the E. Dunne – Church St. project (a downtown project) is what City Council wants
- set aside in Downtown
- City has not indicated ‘how to do mixed use downtown now’; would have to be in 2011-12
- uncertainty as to which projects can start first

The public hearing was reopened.

Dick Oliver, 385 Woodview Ave., # 100, was asked questions regarding responses from banks. He said, “A smaller number of units for ongoing might be thought of favorably. As for me, we only have Mission Ranch so by 2011; we would hope to be back where we need to be.”

The public hearing was closed.

Commissioner Lyle asked staff’s feeling about options, as he wondered how the City Council would react. PM Rowe advised, “The City Council is concerned about preserving allocations for 2011-12. They want a competition then. Staff will recommend remaining with the original numbers for this competition.”

Considerable discussion followed regarding the potential for reconfiguring the numbers of allocations provided to on-going projects. Concerns raised included:

- in 2011-12 if the ongoing get X numbers of allocations, what would be the effect on the Downtown set aside
- how would the Affordable category be treated (there could be nothing for an Affordable set-aside)
- perhaps the Downtown would be the Affordable set aside
- limits for on-going projects
- prime Downtown site has 30+ allocations already
- if another project is started, then allocations must be taken away from the Downtown set-aside
- the scoring between East Dunne/Church (high) and the next scoring project provides a ‘huge scoring gap’

Commissioner Tanda said, “I propose the East Dunne/Church project be awarded allocations as it is a good project with a good developer. It sounds like only real issue is the practice of the ongoing receiving an automatic 15 units. But I would like to see some allocation for this project this night. If that means taking away from other ongoing projects by one or two (allocations) for the necessary allocations, we as Commissioners can reduce the amounts of the allocations to give to East Dunne/Church.”

Commissioner Escobar remarked, “Sometimes a simple focus is not always the most equitable. While I can initially support Commissioner Tanda’s proposal, I think we all are trying to find a way to be fair. I think we must understand that currently we have nine ongoing projects and this would be 10. I tend not to want to adversely affect those nine as we go forward. I support the East Dunne/Church project, but I’m now sure how to go

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forward.”

Chair Koepp-Baker asked PM Rowe if the reduction for on-going projects was a viable approach for staff? [Yes] Chair Koepp-Baker voiced a concern: what will be fallout during the next 18 months of a reduction for the on-going?

Commissioner Mueller suggested the need to make the reductions uniform ‘across the board’.

Commissioner Lyle argued for taking away from the Ahlin project which has received 99 allocations, and giving them to the East Dunne/Church project.

The public hearing was reopened.

Mr. Oliver raised the question: “I thought ongoing was based on actual ongoing projects. If a project is not started, then it should not get the automatic allocations the Commissioners have provided in the past.” He also commented, “I don’t think it has been noticed that you would be discussing the automatic 15 units at this meeting.”

The public hearing was closed.

Commissioner Lyle said, “I’ve heard Mr. Oliver. If we are going to make a change, we should consider it in open session.” PM Rowe reminded there is still one meeting of the Commission before the mandatory deadline of March 1 for awarding allocations.

Commissioner Mueller suggested continuing the matter, and asking staff to return to the next meeting (2/24/09) with recommendation for reduction(s) to known ongoing projects, while providing award of 15 allocations for East Dunne/Church. Commissioner Escobar said, “It might be valuable to ask staff for alternatives within set range.”

COMMISSIONERS MUELLER/ESCOBAR MOTIONED TO CONTINUE THE MATTER OF FINAL AWARD AND DISTRIBUTION OF THE RDCA SMALL PROJECT, MULTI-FAMILY RENTAL AND OPEN MARKET PROJECT COMPETITIONS FOR THE FY 2010-2011 BUILDING ALLOTMENT TO THE FEBRUARY 24, 2009 MEETING IN ANTICIPATION OF A STAFF REPORT WITH RECOMMENDATION FOR REDUCTION(S) TO KNOWN ONGOING PROJECTS, WHILE PROVIDING AWARD OF 15 ALLOCATIONS FOR EAST DUNNE/CHURCH.

Under discussion, the improvements for the East Dunne/Church site were noted.

Commissioner Acevedo clarified that staff will advise the definition of ongoing projects. Commissioner Mueller said it would be necessary to look at terminology in the Code book.

The public hearing was reopened.

Mr. Schilling reminded that the Madrone project has 15 allocations for the 2010-11 fiscal year, and said those could be used for this project (East Dunne/Church).

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It was asked if the 'trade policy' could be applicable in this instance? Mr. Schilling said he don't know of that possibility as the project already had allotments so it might not be applicable.

The public hearing was closed.

PM Rowe spoke on the program of set asides in various categories for competitions. He further clarified the motion regarding the reduction of automatic allocations to ongoing projects.

Commissioner Mueller stressed the importance of staff looking at the ongoing category and recommendation of 'reduction in some form'.

Commissioner Tanda asked, "When is a project not ongoing, but on hold?"

Commissioner Escobar reminded that when developers/applicants submit in documentation the projects are identified as ongoing, there must be reason provided for removing a project from ongoing. It may just be redistribution as a reallocation."

Commissioner Tanda asked the motion declarers to include language: the new staff report has inclusion of text/chart to see the impact on the ongoing project timelines with the proposed reduction/redistribution of allocations.

PM Rowe explained his intent to 'redo the current information and present the plan at the next meeting. Commissioner Lyle said, "If you (PM Rowe) would put fy 2011-12 and show that effect, then we would have a picture of how it would look."

THE MOTION PASSED (6-0-0-1) WITH THE FOLLOWING VOTE: AYES: ACEVEDO, KOEPP-BAKER, ESCOBAR, LYLE, MUELLER, TANDA; NOES: NONE; ABSTAIN: NONE; ABSENT: MONIZ.

Commissioner Moniz returned to the meeting at 8:10 p.m. and was seated on the dais.

2) APPROVE WORK PLAN AND SELECT SUBCOMMIT- TEE TO REVIEW RDCS STANDARDS AND CRITERIA

PM Rowe presented the staff report, noting the subcommittee work plan had been distributed.

The recommendation was to have the appointment of 2 - 3 Commissioners to the subcommittee together with representatives of

- school
- non profit organization (extensive changes to housing categories is anticipated)
- parks and recreation
- developers

Scoring criteria was provided as a handout and will be studied for potential changes. The need to define the City's central core boundary line was discussed. Meeting times are anticipated to be afternoon late to enable staff to attend and help out subcommittee.

Chair Koepp-Baker opened the public hearing.

Mr. Oliver explained to the Commissioners that he and Rocke Garcia had met with a councilmember regarding the idea including time extensions and BMR deferrals. "However," he said, "The City Council thinks this may cause some problems. The City

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Council does not have a subcommittee to address the matter and the Planning Commission does have a subcommittee. We would like input now on possible alternatives if the economy doesn't improve."

PM Rowe advised those revisions are ongoing and some suggestions have been received from the Housing Task Force.

Commissioner Escobar asked if the subcommittee could modify current and prior recommendations? [Yes] Chair Koepp-Baker pointed out that the charge to the subcommittee would include "other changes".

Noting that sometimes developers attend the subcommittee meetings, Mr. Oliver cited that as reason for having has spoken with the City Councilmember for consideration of having the time extensions and BMR deferrals added to charge given the subcommittee.

Commissioner Acevedo asked, "Why consider putting a question of the BMRs into the competition for 2011-12? The BMR waiver will be over and if economy bad is then, we should consider *other things*."

Chair Koepp-Baker asked for consensus on the work plan as presented. [Yes]

Commissioner Tanda clarified that once the work plan has begun, other issues/concerns can be added.

Chair Koepp-Baker explained how the flexibility of the agenda increases the effectiveness of the work plan by taking other items into consideration.

Chair Koepp-Baker, Commissioner Moniz, and Commissioner Mueller volunteered for appointment to the subcommittee.

CHAIR KOEPP-BAKER, COMMISSIONER MONIZ, AND COMMISSIONER MUELLER WERE AFFIRMED AS APPOINTEES TO THE SUBCOMMITTEE.

Commissioner Lyle asked, "Why two from Parks and Recreation Commission/Department?" PM Rowe said he thought it would be that one or the other could be at each meeting.

Commissioner Tanda asked if a City Councilmember would be included? PM Rowe advised that the Councilmembers were sent a calendar of the meeting schedule and would be welcomed.

PM Rowe was directed to set the schedule and present it to the subcommittee members. He indicated the meetings would be on set days and have a two-hour time frame.

Chair Koepp-Baker was asked to reopen the public hearing.

Mr. Oliver said, "Mr. Schilling would be willing to serve and so would I."

Chair Koepp-Baker thanked him, as she closed the public hearing.

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Commissioner Acevedo was excused for this agenda item at 8:26 p.m. due to the potential for conflict of interest as he owns a business in downtown Morgan Hill.

3) DOWNTOWN SPECIFIC PLAN IMPLEMENTATION STRATEGY

Review and discuss the implementation strategy for development of the Redevelopment Agency owned A1 and A2 sites in Downtown.

PM Rowe introduced David Heindel, Assistant to the City Manager, who presented the staff report. Mr. Heindel thanked the Commissioners for the opportunity to speak to them, and advising the Power Point presentation would be the same as that shown at the City Council/Planning Commission Workshop on January 20, 2009. Mr. Heindel said he hoped this would be an 'open conversation' to enhance developing a recommendation to ensure the vision of a vital, viable downtown was met.

Mr. Heindel said the PowerPoint would highlight the Downtown Specific Plan and Strategic Points which might be implemented. Asked by the Commissioners what was the expected outcome of this meeting, Mr. Heindel replied, "The City Council - at their last meeting - indicated support for revitalizing the Granada Theater. These are items we need to consider in the first phase (followed by subsequent phases)

- looking at the Downtown in a holistic way
- density appropriateness
- what we can accomplish now in view of the economy
- what to look for as a second step
- then plan for the future

Just now, I'm working to create a consensus around what is the 'right thing to do'."

Commissioner Lyle observed, "It appears that about 90% of what we've seen is around the theater."

Mr. Heindel responded, "There is a lot more than the theater in this presentation; much more information. We are trying to create a holistic way of looking at the Downtown."

Chair Koepp-Baker interjected, "Phase 1 information was narrowed after the Council presentation. The first step in phase 1 will be consideration of either rehabilitation or relocation of the Theater."

Mr. Heindel continued: "At the City Council presentation the discussion was segmented more: discussion with additional potential operator for theater; that would be 'not a real good' fix if there is need to build a new building and secure a new operator. Your thoughts of the 'nuts and bolts' would be helpful. The nature of the real estate development business is contingent on many things - we must have a project to move forward, not just pieces stuck together - but working together to try to create a project. We are looking at the right thing to do and where to do it in great detail. The setting of the theater and housing - the concept of theater, retail space and office space together; I think working on the theater is our best shot at moving the project forward most rapidly. I will be working on that as quickly as possible and securing ways which will be attractive to buyers and developers."

Commissioner Escobar commented, "The Theater makes sense as a specific project but I am bewildered if the plan is to build project by project or is there a theme to embrace an 'all encompassing project'? This plan does not provide a sense of building a downtown

but a series of projects for the downtown.”

Mr. Heindel answered, “All the property in Downtown which is owned by the Redevelopment Agency (RDA) is to be considered for the development possibility, together with what the City owns. Certainly, we don’t think everything can be done at once, so the focus is on what we can do right now.” He then reiterated the ideas for phase 1.

Commissioner Mueller said, “I thought an approach which would be slightly different would be to consider the critical situation.” Mr. Heindel said, “Yes, we want to create more downtown living and more night activity downtown. Therefore, we are looking at a mix of retail and housing with parking, but have not developed a specific for those elements yet. The notion is that we must create density so we have a ‘tipping point’ as quickly as possible. The plan must be flexible and balanced at once. The plan must reflect the character of Morgan Hill. Just now, we need to create a ‘brand and image’ for Morgan Hill which is distinctive.”

Commissioner Escobar asked, “Is the project defined in concept or is a concept defined in the projects? I assume it must fit into a definition?” Mr. Heindel replied, “What is our retail strategy – that is most important; housing and parking support retail. If we have a downtown anchor strategy - not necessarily restaurants - but activities that consist of outdoor, sports, etc., we need consistency of strategy.”

Mr. Heindel then stated the vision and the current enhancements related to the vision:

- five anchor corners, and noted that three of the five are currently controlled by the City
- distance from freeway
- parking: abundant and free not occupied by those persons who work in retail or offices
- lots of parking downtown; now on Depot Street possibility for a parking structure
- residential space - both for sale and rental (looking to future as market in stale spot now)
- rental at least 40 unit projects; 100 better for professional management
- properties owned by redevelopment agencies, opportunity sites, and other privately owned sites
- key focus downtown Monterey: First and Third Streets now core of downtown Morgan Hill
- may move theater; could have dwelling units at current site but huge parking issues
- North side of Third St. – homes exist there now but one owner would like to build building that would be 20-feet high and have frontage for retail with living space behind
- other potential sites will be identified
- Downtown not generally family oriented for residential, but focused to single, couples, professional workers with smaller units; allows for affordability by design so can have huge mix of affordability

Chair Koepp-Baker asked if the Council had looked at alternative(s) for the theater and associated figures for it. Mr. Heindel referenced the (maximum) 700 housing units at the

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site; with new retail. "If we build to the density in specific plan so those would be the 'tipping point'," he said.

Mr. Heindel led discussion of several options regarding the theater:

- leave at current location; ground floor – theater would dominate site and cause parking loss
- move to the back of the site
- put the theater upstairs with parking

The current highest and best plan, he said, would have the theater upstairs and retail space available. That would provide a lot of retail right downtown permitting about 6,000 square feet for an anchor tenant then office space being made available.

Considerable discussion followed regarding parking with a formula being presented by Mr. Heindel which assumed a net gain of 17 spaces at the theater site, with other parking available off-site. Mr. Heindel stressed, "Remember, we have not started designing the building yet, but we are making some assumptions."

Commissioner Mueller led discussion of a (proposed) theater larger than the exiting Granada and the amount of parking which would be required for a 10,000 square foot theater. Mr. Heindel observed that 'parking will be diversified to other areas, but we have not gotten there yet'. He also gave an overview of the vision of a theater with four screens, and having varying times for projection, so not everyone would be arriving at the same place at the same time.

Mr. Heindel repeatedly stress that the City must balance retail, housing, and parking. "We must have parking solutions and I believe we will develop solutions for that. We could have underground parking. One of our visions is a spine of mid block parking behind the street."

Returning to the current charge for the Commissioners, Commissioner Escobar said, "I'm getting a sense that the Planning Commission is being asked for a recommendation without details tied to it. Are we being asked to recommend from a conceptional standpoint?"

Commissioner Lyle responded, "I don't think we are being asked for something different from what was already discussed."

Chair Koepp-Baker said her intent in having Mr. Heindel come to speak to the Commissioners was just for more presentation of the vision.

Commissioner Escobar said, "From January 20 to now there appears that not much had been added to what we already heard at the January 20 meeting with a consensus being generated but no new information provided now."

Chair Koepp-Baker rejoined, "This illustrates the potential for underground parking. The question being asked is: do we have an affirmation of the concept for putting a new theater on the corner? I say 'yes'."

Commissioner Lyle cautioned: this is very preliminary at this time.

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Mr. Heindel spoke of building a 'spectacular promenade on Third Street for pedestrians which will be done initially'.

Commissioner Moniz asked about the City's Zoning Code, and the requirements for Planning. Mr. Heindel said the specific plan was exempt from the requirements of the Code in the Downtown area. Commissioner Moniz said, "It would be helpful to know the typical parking requirements for a typical theater." Mr. Heindel explained, "The downtown has a different set of parameters - which you don't have to build parking on site unless it is for a residential unit. The City will provide parking for the theater in other locations." Mr. Heindel acknowledged, "Parking is always an issue and will always be a challenge. Remember, too, all sites have the potential for underground parking." He went on to tell of underground in Redwood City and said, "There are always mechanical solutions to water with underground parking."

PM Rowe advised of the current City requirement of one parking space for 3.5 seats. Mr. Heindel reiterated, "The requirements are different for Downtown."

Commissioner Mueller observed, "If the City Council says work on A-2 as the first site, then the Planning Commission should get a look at the plan."

Mr. Heindel spoke on the vision of having the private investment communities come in as partners on the project.

Commissioner Mueller asked questions regarding construction cost: figures for the construction (hard construction cost) and the total project (30% more than construction).

Mr. Heindel said his vision of the A-2 site would be for \$8-10M and A-1 (about \$50M). "We need the critical mass for housing or the Downtown becomes inefficient," he said.

Commissioners discussed with Mr. Heindel:

- Theater would be more complex versus retail and office; could it be feasible to do retail/office and not have theater downtown (Mr. Heindel theater will not slow the Phase One plan)
- funding available from the City /RDA for the project

Commissioner Tanda said, "I would like to have a presentation from high speed rail planners with information provided on the potential impact on Downtown." PM Rowe provided an overview of a recent scoping meeting he had attended on the San Francisco to San Jose High-Speed Train Project EIR/EIS. The Project EIR will consist of eight separate documents. The first EIR/EIS to be completed will be for the segment from San Francisco to San Jose. The scoping meeting for segment from San Jose south through Morgan Hill is tentatively scheduled for early March, PM Rowe has suggested to the City Manager to have the meeting Morgan Hill. PM Rowe said, "The number one problem right now is the question of: will there be sufficient right of way on the peninsula segment? When the rail reaches Morgan Hill the tracks will all be elevated. Commissioner Lyle asked if the at-grade crossings will go away. PM Rowe advised, "The existing tracks will not be share with high speed, but the CalTrain segment from San Jose north could share the tracks."

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Mr. Heindel continued the presentation:

- the first steps will involve more than just the A-2 site
- emphasis will be on planning a mixed use building
- creating additional parking Depot and Third (91 spaces)
- purchase at Third for parking (on current dirt lot) (92 spaces)
- complete Third St. promenade
- create strategy for RCDS competition/allocations
- reach consensus on Granada then find a developer (through an RFQ process)
- look at BookSmart site for retail frontage on 3rd Street
- also look at how leasing arrangements of City agency owned property dovetails with plans
- phase 2 including opening the new cinema
- parking spaces between Second and Third Streets behind existing properties (4 private owners + 1 for purchase) and expand parking in that area
- cinema project
- continue to look at 'other' on street parking
- future other areas downtown which are not now economically feasible as for residential
- possible time frame and milestones

Mr. Heindel emphasized, "We will continue to work to make sure enough parking will be available when the theater opens in about 3 years. Remember, our focus is currently on the first phase."

Commissioner Lyle suggested in the planning a missing step has occurred: everyone seems to believe housing is the key to downtown and in this plan no housing will be in place for three years. "What is the plan for housing coming on line for the next three years?" he asked. Mr. Heindel referenced phase 2, A-1 with a development project by RDA. "In your view is there need to accelerate one of the projects?" he asked. Commissioner Mueller explained, "With another competition it seems to figure there should be a placeholder and if we have more allocations (77 from Measure F), it will be important to get a set aside." Commissioner Lyle cautioned, "Not 5 years out sites, but whole bunch of things near downtown – is there plan for getting residential going for the 77 Measure F allocations?" Commissioner Lyle went on to explain the need for commencing with a plan to start building downtown for 2011-12. Mr. Heindel said it would be an issue he would be trying to work on, but 'not tonight'. Commissioner Mueller said, "The question is: if you are going to look at the three year time line and hold to that what is the minimum it would take to do something with the existing theater and shorten the currently proposed timeframe." Mr. Heindel assured he was 'beginning to look at those issues'. Commissioner Mueller continued, saying "Everyone agrees the A-2 is critical to success factors – how does this project address those factors for project parameters?"

Mr. Heindel reiterated, the key point for is for the five anchor tenant spaces: one at BookSmart and this theater would be another. He then said, "The advantages of the theater with multiple showing times would be creating model retail space – and our vision is not a restaurant." Commissioner Mueller said, "If we're talking a three year timeline, one of questions should be: is there something reasonable to be done with existing

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buildings to shortening the time line and begin something quickly? We really need an interim parking strategy before completion of the theater.” Mr. Heindel responded, “There will be disruption but an ongoing strategy for parking is being studied.”

Chair Koepp-Baker reminded that the Planning Commission had been asked for recommendation for the City Council.

Commissioner Mueller said, “My thinking is: if the City pursues a project on the A-2 site with known elements; if we are going to do that, we need to look at interim use – is it feasible to have a theater in interim? My concern is that three years become four years, etc.”

Commissioner Escobar said, “Part of my dilemma is that we have been presented with a take it or leave it option. We are only given details that deal with the theater – is everything else to be put into place? Either that option or none at all is a frustration. We don’t have the option to say ‘if the theater is not good’ - what we do with that? There appears to be no response. If we do that, what is left?”

Commissioner Lyle said, “Will we continue diverting dollars and resources if we explore an interim use for the existing theater? The theater is falling down now.”

Commissioner Mueller observed, “If the City wants to pursue a project on the A-2 site and it sounds reasonable if a theater is ‘doable’, there is also a focus on getting residential. Are we losing time trying to get RCDS allocations now? Do we have enough information from the community about whether there is something to do with the existing theater building – we may not have a definitive answer now. The theater project may not happen. Mr. Heindel will do his best to see it does. So in the meantime we need to look at interim alternatives. We owe that to the community as they have repeated the question to us.” He suggested with recommending going ahead with the A-2 site.

Commissioner Lyle reiterated, “We must have housing for any project to be successful.”

Commissioner Tanda said, “I appreciate all the staff work:

- parking is being addressed
- a catalyst development of the theater
- residential
- infrastructure
- underground parking
- pedestrian promenade
- retail

and I endorse staff’s (Mr. Heindel) recommendation.”

Commissioner Tanda explained he had long ago stopped going to the current theater due to lack of stadium seating. “So right now, there is only historical interest. We need renovations, but there is hesitancy in the interim use of the existing theater. We have to have some sense of ‘why not do certain items’. I would like to move on as I like the recommendations.”

Commissioner Moniz expressed ‘definite concern’ of the condition of the theater – how could the current building be used? Mr. Heindel said, “We are starting to look into that as

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the building does have issues.” He also indicated that there was support from other theater owner/operators in the area for building a new theater.

Chair Koepp-Baker suggested, “We might direct project plans – when completed - be returned to the Planning Commission.” She said she had been much encouraged when other theater owners approached Mr. Heindel and told him it could be a viable project. “I still have concerns – but I do not find renovating the old theater feasible,” she said.

Commissioners discussed next steps for the Planning Commission:

- recommendation for focus on presented information
- discussion at another meeting

Commissioner Escobar said, “Without more detail, it will be difficult for the Planning Commission to hang onto a particular project without specific detail.”

Commissioner Mueller expressed thinking that the project would come back to the Planning Commission before project definition was firmed. “We could have other discussion,” he said.

Commissioner Escobar said he felt it should definitely come back to the Planning Commission. Chair Koepp-Baker agreed, and told Mr. Heindel that would most likely happen. Mr. Heindel said he was now working on firming up plans.

Commissioner Lyle explained, “The Planning Commission is accustomed to dealing with parking, traffic, building heights and density - as much as anything we’re about staging. The Planning Commission looks at a broad view of downtown - not how there will be (conceptional) physical looks of building. Currently, we are outsiders in this process and it is difficult to participate in this.”

Chair Koepp-Baker said, “By the time the Planning Commission was invited to the table, it was a forgone conclusion that a section of Monterey would be used for a new theater, instead of renovating the old theater.” She then asked Mr. Heindel about expenses for a new building versus cost for renovation. “Also,” she said, “must we concur or tell the City Council we don’t like the theater plan.

Chair Koepp-Baker asked members of the Commission:

- do we agree with City Council and staff putting together project for the theater?
- do we agree with having a project application [recommend to City Council]

Commissioner Mueller asked, “Are we just talking about A-2 “

Commissioner Escobar inquired, “Do we have to support as some steps are underway? What good could be gained not to support?”

Commissioner Lyle questioned, “Does the Commission endorse the presentation without reservation?”

Chair Koepp-Baker said the basic question would be: are the Commissioners in favor of the City Council and staff moving forward to see if the current proposal would work?

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Commissioner Mueller reiterated the on-going concern: "Is the City moving fast enough to put residential in place Downtown?" Discussion followed regarding public funding for residential in the Downtown.

It was discussed that Mr. Heindel's presentation had been set as recommendation to the Planning Commission.

COMMISSIONERS TANDA/KOEPP-BAKER MOTIONED SUPPORT FOR RELEASE OF A REQUEST FOR QUALIFICATIONS FOR CONSTRUCTION/RENOVATION TO THE GRANADA THEATER AT THE A2 SITE AND THAT THE PLANNING COMMISSION AND PLANNING STAFF BE PART THE RFQ PROJECT, WITH THE MATTER RETURNED TO THE TO PLANNING COMMISSION AT APPROPRIATE TIMES FOR INVOLVEMENT . THE MOTION PASSED (6-0-0-1) WITH THE UNANIMOUS AFFIRMATIVE VOTE OF ALL COMMISSIONERS PRESENT; ACEVEDO WAS ABSENT.

**CITY COUNCIL
REPORTS:**

None

ADJOURNMENT:

With no further business to be completed, Chair Koepp-Baker adjourned the meeting at 10:05 p.m.

MINUTES RECORDED AND PREPARED BY:

JUDI H. JOHNSON, Minutes Clerk



AGENDA ITEM
NO. /

MEMORANDUM

To: PLANNING COMMISSION

Date: February 24, 2009

From: COMMUNITY DEVELOPMENT DEPARTMENT

Subject: APPROVE DISTRIBUTION OF BUILDING ALLOTMENTS FOR THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) APPLICATIONS FOR THE FY 2010-11 SMALL, MULTI-FAMILY RENTAL AND OPEN MARKET PROJECT COMPETITIONS

BACKGROUND

This item was continued from the February 10, 2009 meeting with direction for staff to include application MC-08-23: E. Dunne – E. Dunne Investments (South Valley Developers) in the attached resolution awarding building allotments to this project. The Commission also asked staff to review the current on-going projects list to determine if all of the projects are still eligible to receive a 15-unit building allotment. In a June 2008 report to the City Council, staff determined the following projects were in compliance with approved development schedules and were eligible at the time to receive a 15 unit allotment:

- MC-04-12: E. Dunne – Dempsey
- MC-04-21: Barrett – Syncon Homes
- MC-04-22: Jarvis – South Valley Developers
- MC-04-26: Mission View – Mission Ranch
- MC-05-06: E. Main – Ahlin

Upon further review of the Council policy for on-going RDCS projects, to be eligible to receive an automatic 15-unit building allotment in the current RDCS competition, the earlier phases of an on-going development must be in compliance with the development schedule approved for the project and must have completed a phase or at least pulled 50 percent of the building permits for a phase by 9/30/08. An exception is allowed where the delay is due to extended city processing. By this additional measure, the E. Main – Ahlin project failed to pull the required number of building permits by September 30, 2008 and is therefore not eligible to receive the building allotment. Applications were filed for 14 permits prior to September 30 but were never issued. The developer needed to pull 25 building permits by September 30 to be eligible for an

on-going allotment. Staff is recommending the allotment set-aside for the E. Main – Ahlin project be awarded to applications MC-08-23: E. Dunne – South Valley and MC-08-16: Peet – Borello as explained below and shown in Section 1 in the attached Resolution. The developers of the other projects listed above were able to pull a minimum of 50 percent of the permits for a phase of their projects by 9/30/08.

AWARD OF ALLOTMENTS

Under Section 18.78.125C of the RDCS Ordinance, projects which have received a minimum of 7.5 points under Section 18.75.115 (Part 1) and a minimum of 160 points (150 points for Micro and Affordable) under Section 18.78.120 (Part 2) may be awarded an allotment. Where the number of allocation requested exceeds the numerical limit available for the competition, development allotments are awarded to the highest scoring projects based on the number of points received under Part 2. A project may be awarded fewer than the total number of allotments requested, and the unallocated portion is then available to be awarded to the next highest scoring projects, if doing so would help create a more balanced and equitable distribution of allotments and help to achieve the goals of the General Plan.

All projects received qualifying Part 1 and Part 2 scores. The final Part 2 scores for all competing projects are shown in the attached Exhibit B.

The recommended award of residential allotments for Fiscal Year 2010-2011 is based on the revised project scores approved on January 13, 2009 and the distribution of allotments according to housing types as amended by the Planning Commission shown in Table 1 in the attached February 10, 2009 Planning Commission memorandum.

Micro Project Competition:

For projects in the Micro Project category, the Planning Commission shall review the staff evaluation when the number of residential units in proposed developments exceeds the number of allotments authorized for the competition. The City Council authorized six allotments to be set-aside for micro projects. The City accepted two Micro Project applications requesting five allotments in total. Therefore, the Planning Commission is not required to review the staff evaluation. A micro project is any residential development consisting of six or fewer units on a site representing the ultimate development of the property. Only one of the two micro applications, a four unit townhouse, received a qualifying project score. Staff awarded the project the requested 4 unit allotment. The applicant for the other project has chosen not to appeal the staff evaluation. On January 13, 2009, the Planning Commission moved the two unused allotments from the Micro Project set-aside into the Open/Market set-aside.

Multi-family Rental Project Competition:

As noted above, the Commission approved a distribution of 69 building allotments for projects in the Multi-family Rental category. The one multi-family rental project in the competition, application MC-08-18: Monterey – Monterey Dynasty, received a final score of 181.5 points. The applicant originally requested a 30 unit allotment for FY 2010-11 and a 30-unit allotment in

FY-2011-12. The applicant has confirmed with staff that they can use 68 of the 69 unit allotment in the first year. Staff does not recommend an allocation into the second year because the allotment would not be sufficient to complete the project. Staff recommends the one unused multi-family rental allotment be moved to the Small Project set-aside as explained below.

Small Project Competition:

A small project is any residential development with a minimum of 7 and maximum of 15 dwelling units representing the ultimate build out of the development. The Commission set-aside 12 building allotments in FY 2010-11 for small projects. The top scoring small project is application MC-08-24: W. Dunne – South Valley Developers receiving a score of 174.5 points. The applicant originally requested 14 allocations in FY 2010-11. At the January 13, 2009 Commission meeting, the applicant indicated he would accept a two year allocation, with 7 units in FY 2010-11 and 7 units in FY-2011-12. This will allow the second highest scoring small project, application MC-08-13: Clayton – O'Brien at 173 points, to receive the balance of the FY 2010-11 allotment (5 units). The O'Brien project is a 7-lot single family development. Staff recommends the project be awarded two additional allotments in FY-2011-12 to complete the project. Staff recommends the one unused Multi-family Rental allotment be awarded to the W. Dunne project awarding application MC-08-24 8 building allotments for FY 2010-11 and 6 building allotments for FY 2011-12 to complete the project.

Open/Market Competition:

The top scoring Open/Market project is application MC-08-17: E. Central - Sheng at 186 points. The applicant is requesting a two year building allotment with 17 units in FY 2010-11 and 15 units in FY 2011-12. The project is a 32 lot single family development so the two year allotment as requested would complete project. Staff therefore recommends the project be awarded the requested two year allocation.

The second highest scoring project in this competition category is application MC-08-16: Peet – Borello, at 182 points. The applicant is requesting a two year allotment of 20 units in FY 2010-11 and 20 units in FY 2011-12. The project at build out is 245 units. The requested second year allotment would not complete the project and is not recommended. Staff recommends the project be awarded 23 building allocations for FY 2010-11. According to the applicant's project narrative, approximately half the requested allotment is sufficient for a viable first phase of development. The recommended allotment includes three building allotments originally set-aside for the E. Main – Ahlin project. As noted above, this project is not currently eligible to receive a 15 unit allotment as an on-going project.

The next in line project in the Open/Market competition, receiving 181 points, is application MC-08-22: Murphy – Pan Cal. The applicant is requesting a three year building allotment with 24 units in FY 2010-11, 22 units in FY 2011-12 and 22 units in FY 2012-12. The Council only authorized a single year competition for FY 2010-11 with limited allocations into a second year as needed to complete a project. A two year allotment would not complete the project therefore staff recommends the project be awarded 24 allotments for FY 2010-11.

The fourth highest scoring project in the Open/Market competition, receiving 180 points is application MC-08-23: E. Dunne – South Valley. The Commission asked that this project be included in the list of Open/Market projects to receive a building allotment. Staff recommends that 12 of 15 building allotments originally set-aside for the E. Main – Ahlin project be awarded to this project.

At the February 10 meeting, the applicant said he would be willing to allow a portion of the 15-unit on-going allotment set-aside for his Jarvis – South Valley to go to this application if necessary to secure a building allotment for this application. The Commission asked staff to present alternatives to allow this project to receive more than a 12-unit allotment. One alternative is to transfer 6 allotments from the Jarvis project to the E. Dunne project increasing the total allotment for the E. Dunne project to 18. This would allow a second townhouse building with six dwelling units to be constructed along with a 5-unit townhouse building and 7 cottage homes.

RECOMMENDATION

Adoption of the attached Resolution is recommended approving the award of building allotments for projects in Multi-Family Rental, Small and Open Market competition categories. A motion to amend the resolution may be considered as a first action to approve changes in the distribution of the building allotment.

Attachments:

1. Exhibit A – Part 1 Final Scores
2. Exhibit B – Part 2 Final Scores
3. February 10, 2009 Report
4. Resolution awarding the 2008 RDCS Competition Building Allotment

RESOLUTION NO.

**A RESOLUTION OF THE PLANNING COMMISSION OF
THE CITY OF MORGAN HILL APPROVING THE
DISTRIBUTION OF THE BUILDING ALLOTMENT IN THE
RESIDENTIAL DEVELOPMENT CONTROL SYSTEM
MULTI-FAMILY RENTAL, SMALL PROJECT AND
OPEN/MARKET COMPETITIONS FOR THE FISCAL YEAR
2010-11 AND RECOMMENDING A PARTIAL ALLOCATION
FOR FISCAL YEAR 2011-12.**

WHEREAS, the Planning Commission has received twelve project applications requesting residential building allotments pursuant to Chapter 18.78 of the Morgan Hill Municipal Code; and

WHEREAS, pursuant to Sections 18.78.030(c) and 18.78.040 (e) of the Municipal Code, a separate building allotment category has been established for new open/market rate residential projects including a separate set-aside for small residential projects, micro projects and multi-family rental projects; and

WHEREAS, Section 18.78.110 of the Municipal Code further prescribes that the Planning Officer (PO) shall evaluate each residential project according to a specific set of standards and criteria as required under Sections 18.78.115 and 18.78.120 of the Municipal Code and that the PO shall submit his evaluation to the Planning Commission and the Commission shall approve, disapprove or modify the Planning Officer's evaluation by simple majority vote; and

WHEREAS, Section 18.78.125(c) of the Municipal Code further prescribes that the development allotment shall be awarded on the basis of the number of points received under Section 18.78.120 starting with those proposed developments receiving the most evaluation points for the affected housing categories and proceeding in order down the list until the numerical limit established by the Council has been reached; and

WHEREAS, testimony received at a duly-noticed public hearings, along with exhibits and drawings and other materials have been considered in the review process;

NOW, THEREFORE, BE IT RESOLVED BY THE MORGAN HILL PLANNING COMMISSION OF THE CITY OF MORGAN HILL THAT:

SECTION 1: Pursuant to Section 18.78.125(c) of the Morgan Hill Municipal Code, the award and distribution of residential building allotments for the 2008 RDCS Competition shall be as follows:

Fiscal Year 2010-2011

MC-08-18: Monterey - Dynasty	68
MC-08-24: W. Dunne – South Valley Dev.	8
MC-08-13: Clayton – O’Brien	5
MC-08-17: E. Central – Sheng	17
MC-08-16: Peet – Borello	23
MC-08-22: Murphy – Pan Cal	24
MC-08-23: E. Dunne – South Valley Dev.	12

Set-aside for On-going Projects:

MC-04-12: E. Dunne – Dempsey	15
MC-04-21: Barrett – Syncon Homes	15
MC-04-22: Jarvis – South Valley Developers	15
MC-04-26: Mission View – Mission Ranch	15

Building allotment awarded to Micro Projects

MMC-08-14: McLaughlin – Malech	4
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Total **221**

SECTION 2: Pursuant to Section 18.78.125(f) of the Morgan Hill Municipal Code, and in order to complete projects, the Planning Commission recommends the following projects receive approval to phase a portion of their requested building allotment into the following fiscal year:

Fiscal Year 2011-2012

MC-08-24: W. Dunne – South Valley Dev.	6
MC-08-13: Clayton – O’Brien	2
MC-08-17: E. Central – Sheng	15

Total **23**

Resolution No. 09-
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PASSED AND ADOPTED THIS 24th DAY OF FEBRUARY, 2009, AT A REGULAR MEETING OF THE MORGAN HILL PLANNING COMMISSION BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ATTEST:

APPROVED:

Frances O. Smith, Deputy City Clerk

Susan Koepp-Baker, Chair

EXHIBIT "A"

Table 1 - Part "A" Scores: OPEN MARKET Competition

APPLICATION NUMBER	MAX SCORE	EVALUATION CRITERIA					TOTAL POINTS
		WATER	SEWER	DRAINAGE	POLICE & FIRE	STREETS & PARKS	
MC-08-13: CLAYTON-O'BRIEN		1.5	2	2	2	2	9.5
MC-08-15: W. EDMUNDSON-AMBER HILL INVESTORS LLC		1.5	1.5	1.5	2	2	8.5
MC-08-16: PEET-BORELLO		2	1.5	1.5	2	1	8
MC-08-17: E. CENTRAL-SHENG		1.5	1.5	2	2	2	9
MC-08-18: MONTEREY-MONTEREY DYNASTY		1	1	1.5	2	2	7.5
MC-08-19: BUTTERFIELD-MONTEREY DYNASTY		1	1	2	1.5	2	7.5
MC-08-20: W. EDMUNDSON-PANCAL		1.5	1.5	1.5	2	2	8.5
MC-08-22: MURPHY-PANCAL		2	1.5	1.5	2	1.5	8.5
MC-08-23: E. DUNNE-SOUTH VALLEY DEVELOPERS		1.5	2	1.5	2	2	9
MC-08-24: W. DUNNE-SOUTH VALLEY DEVELOPERS		1.5	1.5	1.5	2	2	8.5

EXHIBIT "B"

STAFF and PLANNING COMMISSION REVIEW: FINAL POINT SCORES (OPEN MARKET COMPETITION)*

Table 2 - Part "B" Scores: Evaluation Categories

APPLICATION NUMBER	CATEGORY	SCHOOLS	OPEN SPACE	ORDERLY & CONTIGUOUS	PUBLIC FACILITIES	PARKS AND PATHS	HOUSING NEEDS	HOUSING TYPES	QUALITY OF CONSTRUCTION	LOT LAYOUT & ORIENTATION	CIRCULATION EFFICIENCY	SAFETY AND SECURITY	LANDSCAPING	NATURAL & ENVIRONMENTAL	LIVABLE COMMUNITIES	GRAND TOTAL
MC-08-13: CLAYTON-O'BRIEN		22	15	10	9	10	15	15	15	15	15	10	10	9	9	173
MC-08-15: W. EDMUNDSON-AMBER HILL INVESTORS LLC		21	14	16	9	10	8	14	15	15	10	9.5	9	7	8	165.5
MC-08-16: PEET-BORELLO		25	17	9	10	10	15	15	15	14	14	10	10	10	8	182
MC-08-17: E. CENTRAL-SHENG		24	16	19	9	8	15	15	15	15	11	10	10	10	9	186
MC-08-18: MONTEREY-MONTEREY DYNASTY		23	14	15.5	7	10	15	15	15	15	12	10	10	10	10	181.5
MC-08-19: BUTTERFIELD-MONTEREY DYNASTY		23	16	12.5	9	10	15	15	13	11	10	10	10	8	7	169.5
MC-08-20: W. EDMUNDSON-PANCAL		20	13	15	8	8	15	15	13	15	10	10	9.5	4	9	164.5
MC-08-22: MURPHY-PANCAL		22	17	15	10	10	15	15	13	15	12	10	10	9	8	181
MC-08-23: E. DUNNE-SOUTH VALLEY DEVELOPERS		21	17	19.5	8	8	15	14	15	15	10	10	8.5	10	9	180
MC-08-24: W. DUNNE-SOUTH VALLEY DEVELOPERS		21	11	17	9	10	15	15	15	14	12	10	7.5	9	9	174.5

*REVISED SCORES APPROVED BY THE PLANNING COMMISSION (January 13, 2009)



MEMORANDUM

To: PLANNING COMMISSION

Date: February 10, 2009

From: COMMUNITY DEVELOPMENT DEPARTMENT

Subject: APPROVE DISTRIBUTION OF BUILDING ALLOTMENTS FOR THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) APPLICATIONS FOR THE FY 2010-11 SMALL, MULTI-FAMILY RENTAL AND OPEN MARKET PROJECT COMPETITIONS

BACKGROUND

On December 9 and December 10, 2008, the Planning Commission held public hearings and received public testimony on the three Small projects, one Multi-family Rental project and six Open/Market projects submitted for this year's Residential Development Control System competition. The public hearings were intended to allow the applicants and the public an opportunity to address the Commission and to respond to the staff point recommendations contained in the revised project narratives. Applicants were also invited to provide written responses to the point score recommendations. At the January 13, 2009 meeting, the Commission approved adjustments to the staff evaluations and adopted the attached resolution approving final evaluation scores for all projects. Following the Commission's action, staff provided a written notification to each applicant advising of the opportunity to appeal the final project scores as provided in Section 18.78.100B of the Municipal Code. Applicants had 15 days from the January 14, 2009 to file an appeal of the Planning Commission's evaluation. No appeals were filed; therefore the project scores as approved by the Planning Commission are final.

DISTRIBUTION OF THE BUILDING ALLOTMENT

Number and Term of Allotments

Under Section 18.78.030B of the RDCS Ordinance, the number of building allocations is determined biennially using the California Department of Finance's (DOF) most recently determined persons per household figures and population for the City of Morgan Hill. The DOF population estimate is adjusted for any relevant housing backlog not included in its population estimate. The adjusted population is then subtracted from 48,000, the result divided by the

Department of Finance's most recently determined figure for persons per household in Morgan Hill, and then divided by the number of years remaining between that population estimate date and 2020. This gross annual allotment number is then reduced for any fiscal year by its previously awarded allotments (awarded in prior years) and the number of exempt units anticipated for that fiscal year.

Based on the DOF estimates and the other factors, the total building allocation available for Fiscal Year 2010-11 is 221 units. On June 18, 2008, the City Council adopted Resolution No. 6181 authorizing a single-year RDCS competition. Under Section 2, Paragraph F of this Resolution the competition shall be for the purpose of awarding the Fiscal Year 2010-11 allotment. The Planning Commission may, on a case-by-case basis, consider a limited allocation into FY 2011-12 as needed to complete a project, or to ensure a sufficient number of allotments for a feasible first phase of a project, especially for projects in the small, affordable and rental housing categories. Most applicant in this year's RDCS competition are requesting over two or three fiscal years. To comply with the provisions in Paragraph F, staff is only recommending a limited allocation into FY 2011-12 to complete projects.

Allocation for On-going Projects

A portion of the annual building allocation may be reserved for On-going Projects. These are projects that completed previously and are partially built out. To be eligible, the earlier phases of an on-going development must be in compliance with the development schedule approved for the project. An exception is allowed where the delay is due to extended city processing. On-going projects may receive up to 15 building allotments each fiscal year outside of the RDCS competition process. The portion of the building allotment awarded to on-going projects is subtracted from the limited allotment for that fiscal year. It is recommended the allocation for eligible On-going Projects in FY 2010-11 be distributed at the same time the allocations are distributed for projects in the competition set-aside categories. Based on recently amended development schedules, there are five on-going developments that are eligible to receive the 15 unit allotment for a total set-aside of 75 units.

Distribution by Housing Type

Under Section 18.78.030 (C) of the RDCS Ordinance, the number of building allotments shall be divided between conventional single-family dwellings, mobile homes and multiple-family dwellings in a manner determined each year by the City Council; provided, that no less than 33% of all allotments shall be awarded to single-family dwelling units. In FY 2010-11, the On-going set-aside and competing projects will have a sufficient number of single-family units to fulfill the 33% single-family requirement.

In addition to the allotments for single-family dwellings, the Housing Element of the General Plan recommends the City continue to reserve at least 20% of all allotments for affordable housing and at least 30% of all affordable units must be multi-family rental units. In past competitions, at least 20% of the total building allotment has been awarded to affordable multi-family rental development. No affordable projects were received in this year's competition. To be consistent with the General Plan, the City will need to make up this deficit by providing a greater than 20 percent Affordable set-aside in future RDCS competitions.

be consistent with the General Plan, the City will need to make up this deficit by providing a greater than 20 percent Affordable set-aside in future RDCS competitions.

A separate Market Rate Multi-family Rental set-aside was established for this year's RDCS competition to address the need for market rate rental housing.

In addition to the Multi-family Rental set-aside, the Council reserved a portion of the building allotment for separate Affordable, Small Project, Micro, Downtown, and Open/Market competitions. As mentioned above, no applications were filed for the Affordable competition and no applications were filed for the Downtown competition. At the January 13, 2009 meeting the Planning Commission amended the set-aside distribution, moving the unused affordable and downtown allotments into the other set-aside categories as follows:

Table 1.

Fiscal Year 2010/11

<u>Competition Category</u>	<u>Allotment</u>
On-going Projects	75
Affordable Set-aside	0
Micro Projects	4
Small Projects	12
Multi-Family Rental	69
Open/Market	61
Downtown	0
Total	221

AWARD OF ALLOTMENTS

Under Section 18.78.125C of the RDCS Ordinance, projects which have received a minimum of 7.5 points under Section 18.75.115 (Part 1) and a minimum of 160 points (150 points for Micro and Affordable) under Section 18.78.120 (Part 2) may be awarded an allotment. Where the number of allocation requested exceeds the numerical limit available for the competition, development allotments are awarded to the highest scoring projects based on the number of points received under Part 2. A project may be awarded fewer than the total number of allotments requested, and the unallocated portion is then available to be awarded to the next highest scoring projects, if doing so would help create a more balanced and equitable distribution of allotments and help to achieve the goals of the General Plan.

All projects received qualifying Part 1 and Part 2 scores. The final Part 2 scores for all competing projects are shown in the attached Exhibit B.

The recommended award of residential allotments for Fiscal Year 2010-2011 is based on the revised project scores approved on January 13, 2009 and the distribution of allotments according to housing types as amended by the Planning Commission shown in Table 1 above.

Micro Project Competition:

For projects in the Micro Project category, the Planning Commission shall review the staff evaluation when the number of residential units in proposed developments exceeds the number of allotments authorized for the competition. The City Council authorized six allotments to be set-aside for micro projects. The City accepted two Micro Project applications requesting five allotments in total. Therefore, the Planning Commission is not required to review the staff evaluation. A micro project is any residential development consisting of six or fewer units on a site representing the ultimate development of the property. Only one of the two micro applications, a four unit townhouse, received a qualifying project score. Staff awarded the project the requested 4 unit allotment. The applicant for the other project has chosen not to appeal the staff evaluation. On January 13, 2009, the Planning Commission moved the two unused allotments from the Micro Project set-aside into the Open/Market set-aside.

Multi-family Rental Project Competition:

As noted above, the Commission approved a distribution of 69 building allotments for projects in the Multi-family Rental category. The one multi-family rental project in the competition, application MC-08-18: Monterey – Monterey Dynasty, received a final score of 181.5 points. The applicant originally requested a 30 unit allotment for FY 2010-11 and a 30-unit allotment in FY-2011-12. The applicant has confirmed with staff that they can use 68 of the 69 unit allotment in the first year. Staff does not recommend an allocation into the second year because the allotment would not be sufficient to complete the project. Staff recommends the one unused multi-family rental allotment be moved to the Small Project set-aside as explained below.

Small Project Competition:

A small project is any residential development with a minimum of 7 and maximum of 15 dwelling units representing the ultimate build out of the development. The Commission set-aside 12 building allotments in FY 2010-11 for small projects. The top scoring small project is application MC-08-24: W. Dunne – South Valley Developers receiving a score of 174.5 points. The applicant originally requested 14 allocations in FY 2010-11. At the January 13, 2009 Commission meeting, the applicant indicated he would accept a two year allocation, with 7 units in FY 2010-11 and 7 units in FY-2011-12. This will allow the second highest scoring small project, application MC-08-13: Clayton – O'Brien at 173 points, to receive the balance of the FY 2010-11 allotment (5 units). The O'Brien project is a 7-lot single family development. Staff recommends the project be awarded two additional allotments in FY-2011-12 to complete the project. Staff recommends the one unused Multi-family Rental allotment be awarded to the W. Dunne project awarding application MC-08-24 8 building allotments for FY 2010-11 and 6 building allotments for FY 2011-12 to complete the project.

Open/Market Competition:

The top scoring Open/Market project is application MC-08-17: E. Central - Sheng at 186 points. The applicant is requesting a two year building allotment with 17 units in

FY 2010-11 and 15 units in FY 2011-12. The project is a 32 lot single family development so the two year allotment as requested would complete project. Staff therefore recommends the project be awarded the requested two year allocation.

The second highest scoring project in this competition category is application MC-08-16: Peet – Borello, at 182 points. The applicant is requesting a two year allotment of 20 units in FY 2010-11 and 20 units in FY 2011-12. The project at build out is 245 units. The requested second year allotment would not complete the project and is not recommended. Staff recommends the project be awarded 20 building allocations for FY 2010-11. According to the applicant's project narrative, a 20 unit allotment is sufficient for a viable first phase of development.

The next in line project in the Open/Market competition, receiving 181 points, is application MC-08-22: Murphy – Pan Cal. The applicant is requesting a three year building allotment with 24 units in FY 2010-11, 22 units in FY 2011-12 and 22 units in FY 2012-12. The Council only authorized a single year competition for FY 2010-11 with limited allocations into a second year as needed to complete a project. A two year allotment would not complete the project therefore staff recommends the project be awarded 24 allotments for FY 2010-11.

RECOMMENDATION

Adoption of the attached Resolution is recommended approving the award of building allotments for projects in Multi-Family Rental, Small and Open Market competition categories. A motion to amend the resolution may be considered as a first action to approve changes in the distribution of the building allotment.

Attachments:

1. Exhibit A – Part 1 Final Scores
2. Exhibit B – Part 2 Final Scores
3. Resolution awarding the 2008 RDSC Competition Building Allotment



MEMORANDUM

To: PLANNING COMMISSION

Date: February 24, 2009

From: COMMUNITY DEVELOPMENT DEPARTMENT

**Subject: DEVELOPMENT AGREEMENT AMENDMENT, DAA: 07-02C AND
DEVELOPMENT SCHEDULE AMENDMENT, DSA-07-18C: CORY-
HABITAT FOR HUMANITY**

REQUEST

The applicant is requesting approval to amend the development agreement and development schedule for 6-unit development located on the east side of Cory Ave. approximately 80 ft. south of San Luis Way. The amendment request is to extend the project development schedule and commencement of construction date by 12-months changing it from April 30, 2009 to April 30, 2010.

RECOMMENDATION

Environmental Assessment: Not applicable

Application: Approve resolution recommending City Council approval of an extension of the 2007-08 building allocations.

Approve resolution extending the development schedule dates.

Processing Deadline: June 29, 2009

BACKGROUND/CASE ANALYSIS

In February 2008, the project received subdivision, RPD and development agreement approval and in March 2008 received site and architectural approval.

Due to neighborhood concerns and the necessity to redesign the project to address those concerns, the initial application processing took much longer than anticipated resulting in the approval of the May 2008, 9-month extension request.

A 12-month extension request has been submitted requesting extension of both the performance dates and the commencement of construction dates for the 6, FY 2007-08 allocations.

The past and current development schedule amendment requests are illustrated in the following table:

DEVELOPMENT SCHEDULE

	Original Dates	May 2008	Current Request	Staff Recommendation
Building Permit Submittal				
FY 2007-08 (6 units)	04-31-08	(+9 mo)01-30-09	(+12 mo)01-30-10	Concur w/applicant's request
Obtain Building Permits				
FY 2007-08 (6 units)	05-31-08	(+10 mo)03-30-09	(+12 mo)03-30-09	Concur w/applicant's request

The past and current development agreement extension requests are illustrated in the following table:

DEVELOPMENT AGREEMENT

Commencement of Const.	Original Dates	May 2008	Current Request	Staff Recommendation
FY 2007-08 (6 units)	06-30-08	(+10 mo.)03-30-09	(+12 mo)04-30-10	Concur w/applicant's request

In accordance with section 18.78.125 of the Municipal Code, exceptions to the loss of building allocations may be granted if a project was delayed due to circumstances beyond its control and not a result of developer inaction. Approval of the project applications took 6 months; 1 neighborhood meeting, 4 Planning Commission meetings and one Council meeting.

After experiencing an initial 6-month delay due to extended application processing, the project now has all necessary Planning entitlement and has submitted for final map approval. The project has encountered new delays due to the State's freeze of the Housing and Community Development funds and a slowing of the fundraising needed to commence construction on the project (see attached letter from applicant). Staff supports the requested 12-month extension of time since it would provide ample time for the State to resolve its current budget issues and give Habitat sufficient time to complete its fund raising efforts.

RECOMMENDATION

It is recommended that the Commission recommend Council approval of the Development Agreement amendment and approve the development schedule amendment as shown in the modified Exhibits attached to the Commission's approval resolutions.

Attachments:

1. Applicant's letter.
2. Resolutions

RESOLUTION NO. 09

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL RECOMMENDING APPROVAL OF DEVELOPMENT AGREEMENT AMENDMENT APPLICATION DAA-07-02C: CORY- HABITAT FOR HUMANITY FOR APPLICATION MP 01-06: SAN PEDRO-DI CONZA TO ALLOW FOR A 12- MONTH EXTENSION OF TIME FOR COMMENCEMENT OF CONSTRUCTION DATE FOR ALLOCATIONS AWARDED FOR THE FISCAL YEAR 2007-08. (APN 817-31-053)

WHEREAS, the City Council of the City of Morgan Hill has adopted Resolution No. 4028, establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Morgan Hill Municipal Code; and

WHEREAS, Sections 65864 through 65869.5 of the California Government Code authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property; and

WHEREAS, the Planning Commission, pursuant to Chapter 18.78.380 of the Morgan Hill Municipal Code, awarded 6 building allotments for applications MP 91-06: San Pedro-DiConza; and

WHEREAS, in March 2008 the City Council approved the development agreement for application MP 91-06: San Pedro-DiConza; and

WHEREAS, the applicant is requesting to amend the approved development agreement to allow for a 12-month extension to the "commence construction" deadline for the 6 building allotments awarded for FY 2007-08, as shown within exhibit B of the development agreement; and

WHEREAS, Municipal Code Section 18.78.125 G, allows an exception to the loss of allotment be granted if the cause for the lack of commencement is not the result of developer inaction or due to circumstances outside of the developer's control.

WHEREAS, the State of California in response to its current budget crisis has froze the Housing and Community Development funds causing an interruption to the project funding. Fund raising has also slowed due to the current economic conditions leaving the project short of its funding goals to commence construction on the project.

WHEREAS, said development agreement amendment was considered by the Planning Commission at their regular meeting of February 24, 2009, at which time the Planning Commission recommended approval of development agreement amendment application DAA- 07-02C.

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES RESOLVE AS FOLLOWS:

SECTION 1. ADOPTION OF DEVELOPMENT AGREEMENT AMENDMENT. The Planning Commission hereby recommends to the City Council adoption of the modified Development schedule for MP 91-06: San Pedro-DiConza is attached to this resolution as Exhibit B.

SECTION 2. EXCEPTION TO LOSS OF BUILDING ALLOTMENT. The project applicant has, in a timely manner, submitted necessary planning applications to pursue development. Delays in the project have occurred due to State budget difficulties and slowing economy. Based on the findings required in Section 18.78.125 of the Municipal Code, the Planning Commission recommends approval of the development agreement amendment to allow for adjustment to the project development schedule for a 12-month extension of the building allotments for FY 2007-08.

PASSED AND ADOPTED THIS 24TH DAY OF FEBRUARY 2009, AT A REGULAR MEETING OF THE MORGAN HILL PLANNING COMMISSION BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ATTEST:

APPROVED:

FRANCES O. SMITH, Deputy City Clerk

SUSAN KOEPP-BAKER, Chair

EXHIBIT "B"

MP 91-06: San Pedro-DiConza

FY 2007-08, 6 allocations

BUILDING PERMITS

Commence Construction:
FY 2007-08 (6 units)

04-30-10 04-30-09

Failure to commence construction by the date listed above, shall result in the loss of building allocations. In such event, the property owner must re-apply under the development allotment process outlined in Section 18.78.090 of the Municipal Code if development is still desired.

An exception to the loss of allocation may be granted by the City Council if the cause for the lack of commencement was the City's failure to grant a building permit for the project due to an emergency situation as defined in Section 18.78.140 or extended delays in environmental reviews, permit delays not the result of developer inactions, or allocation appeals processing.

If a portion of the project has been completed (physical commencement on at least 3 dwelling units and lot improvements have been installed according to the plans and specifications), the property owner may submit an application for reallocation of allotments. Distribution of new building allocations for partially completed project shall be subject to the policies and procedures in place at the time the reallocation is requested.

RESOLUTION NO. 09

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE DEVELOPMENT SCHEDULE FOR APPLICATION MP 91-06: SAN PEDRO-DICONZA. (DSA 07-18)

WHEREAS, the Planning Commission, pursuant to Chapter 18.78.380 of the Morgan Hill Municipal Code, awarded 6 building allotments for application MP 91-06: San Pedro-DiConza; and

WHEREAS, the City Council of the City of Morgan Hill has adopted Resolution No. 4028, establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System (RDCS), Title 18, Chapter 18.78 of the Morgan Hill Municipal Code; and

WHEREAS, prior to October 25, 2006, Development Agreements incorporated a development schedule to ensure projects comply with the statutory deadlines of the RDCS; and

WHEREAS, to extend deadlines outlined in the development schedule, a property owner/developer was required to file an application to amend the Development Agreement which required public hearings and adoption of an ordinance by the City Council; and

WHEREAS, rather than continuing to require developers to go through a legislative process to amend their development schedules, the Planning Commission adopted Policy PCP-06-01 which allows development schedules and extension of time requests to be approved and adopted by Planning Commission Resolution on consent calendar; and

WHEREAS, the applicant is currently requesting to amend the development schedule to allow for a 12-month extension of the Obtain Building Permit date for the 6, FY 2007-08 allocations; and

WHEREAS, the amended development schedule for application MP 91-06: San Pedro-DiConza was considered by the Planning Commission at their regular meeting of February 24, 2009, at which time the Planning Commission approved the amended development schedule.

**NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES
RESOLVE AS FOLLOWS:**

SECTION 1. ADOPTION OF AMENDED DEVELOPMENT SCHEDULE. The Planning Commission hereby adopts the amended Development Schedule for MP 91-06: San Pedro-DiConza attached to this Resolution as Exhibit A.

PASSED AND ADOPTED THIS 24th DAY OF FEBRUARY 2009, AT A REGULAR MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ATTEST:

APPROVED:

FRANCES O. SMITH, Deputy City Clerk

SUSAN KOEPP-BAKER, Chair

AFFIDAVIT

I, _____, applicant, hereby agree to accept and abide by the terms and conditions specified in this resolution.

HABITAT FOR HUMANITY

, Applicant

Date: _____

EXHIBIT "A"

DEVELOPMENT SCHEDULE MP 91-06: San Pedro-DiConza
FY 2007-08 (6 allocations)

I. SUBDIVISION AND ZONING APPLICATIONS			
Applications Filed:			08-24-07
II. SITE REVIEW APPLICATION			
Application Filed:			12-30-08
III. FINAL MAP SUBMITTAL			
Map, Improvements Agreement and Bonds:			
FY 2007-08 (6 units)			01-30-09
IV. BUILDING PERMIT SUBMITTAL			
Submit plans to Building Division for plan check:			
FY 2007-08 (6 units)	<i>01-30-10</i>		01-30-09
V. BUILDING PERMITS			
Obtain Building Permits:			
FY 2007-08 (6 units)	<i>03-30-10</i>		03-30-09

Failure to obtain building permits and commence construction by the dates listed above shall result in the loss of building allocations. Submitting a Final Map Application or a Building Permit one (1) or more months beyond the filing dates listed above shall result in the applicant being charged a processing fee equal to double the building permit plan check fee and/or double the map checking fee to recoup the additional costs incurred in processing the applications within the required time limits. Additionally, failure to meet the Final Map Submittal and Building Permit Submittal deadlines listed above may result in loss of building allocations. In such event, the property owner must re-apply under the development allotment process outlined in Section 18.78.090 of the Municipal Code if development is still desired.

An exception to the loss of allocation may be granted by the City Council if the cause for the lack of commencement was the City's failure to grant a building permit for the project due to an emergency situation as defined in Section 18.78.140 or extended delays in environmental reviews, permit delays not the result of developer inactions, or allocation appeals processing.

If a portion of the project has been completed (physical commencement on at least 3 dwelling units and lot improvements have been installed according to the plans and specifications), the property owner may submit an application for reallocation of allotments. Distribution of new building allocations for partially completed project shall be subject to the policies and procedures in place at the time the reallocation is requested.



DEVELOPMENT
SERVICES

JAN 29 2009

CITY OF MORGAN HILL

January 12, 2009

Terry Linder, Planner
City of Morgan Hill
Community Development Department
17555 Peak Avenue
Morgan Hill, CA 95037-4128

RE: MP 91-06: San Pedro-DiConza (Cory Drive)

Dear Ms. Linder:

We respectfully submit this formal request to amend the Development Schedule and Development Agreement with regards to requesting an extension on the following tasks:

Tasks	Current Dates	Proposed Dates
Building Permit Submittal	01-30-09	01-30-10
Building Permits	03-30-09	03-30-10
Commence Construction	04-30-09	04-30-10

We are requesting these additional extensions for two reasons, 1) the State of California has frozen all State of California Department of Housing and Community Development funds until such time as the State is able to resolve its budget impasse. The State is currently unable to borrow funds (and issue bonds) and lend these funds to affordable housing developers to build affordable housing, 2) Habitat normally commences construction of their developments when at least 80% of the funds they have committed to provide has been fundraised – we are currently very close to our goal. We expect both of the above impediments will be resolved soon which will allow us to move forward with this development and meet our proposed dates or sooner.

We look forward to commencing construction of the Cory Drive Development, a 6 home detached, affordable single-family development, in the very near future.

If you have any questions, please do not hesitate to contact me at the telephone number below or our consultant on this project - Hector P. Burgos, Jr. at (408) 201-2646.

Very truly yours,


Jennifer Simmons
Interim Executive Director



MEMORANDUM

To: PLANNING COMMISSION

Date: February 24, 2009

From: COMMUNITY DEVELOPMENT DEPARTMENT

Subject: USE PERMIT AMENDMENT, UPA-00-02: LLAGAS – OLD MORGAN HILL ELEMENTARY SCHOOL

REQUEST

A request to amend the conditional use permit relating to the operation of a private elementary school located at 410 Llagas Rd. The proposed amendment would allow the current enrollment limit of 130 students to increase by 70 students to a maximum enrollment of 200 students. The school currently operates under the name “Carden Academy.”

RECOMMENDATION

Open to public hearing and continue to the March 10, 2009 Planning Commission meeting.

BACKGROUND

This item was advertised for hearing at the February 24, 2009 Planning Commission meeting. Staff was not able to complete processing of the application in time for consideration at this meeting and recommends the item be continued to the next regular meeting after receiving any public testimony.



MEMORANDUM

To: PLANNING COMMISSION

Date: February 24, 2009

From: COMMUNITY DEVELOPMENT DEPARTMENT

**Subject: ZONING AMENDMENT APPLICATION, ZA-08-06: CONDIT – KUBO
AND ZONING AMENDMENT APPLICATION, ZAA-98-16B: CONDIT –
HORIZON LAND/FORD STORE**

REQUEST

The applicant is requesting approval of a zoning amendment to establish a development plan and planned development (PD) guidelines for a PD area located between Condit Road and Highway 101, directly south of Diana Avenue. The proposed plan and guidelines would allow future construction of three auto dealerships and the inclusion of an existing auto dealership (The Ford Store) in the PD.

The applicant is also requesting approval to amend the development plan and PD guidelines for an existing PD referred to as the Horizon Land PD, located between Condit Road and Highway 101, approximately 1,130 ft. south of Diana Avenue. The purpose of the amendment is to exclude The Ford Store dealership from the Horizon Land PD so that it may be included in the auto park PD proposed to the north.

RECOMMENDATION

Application, ZA-08-06: Adopt Resolution recommending Council approval of zoning amendment request

Application, ZAA-98-16B: Adopt Resolution recommending Council approval of zoning amendment request

BACKGROUND/PROJECT DESCRIPTION

In October 1999, the City Council adopted Ordinance No. 1444, establishing the Horizon Land PD at the northeast quadrant of E. Dunne Avenue and Highway 101. At the time, the PD included the Holiday Inn Express, McDonald's, Jack in the Box, gas station, and 8.65 acres of undeveloped

land at the north end of the PD. In 2003, the City approved an amendment to the Horizon Land PD to include The Ford Store auto dealership; The Ford Store occupied the northern 6.05 acres of undeveloped land in the Horizon Land PD.

Directly north of the Horizon Land PD is 19.87 acres of land consisting of a mushroom farm, private undeveloped land and a City well site. This area was annexed into the City in 2006 and pre-zoned PD, Planned Development. PD Guidelines were adopted as part of the pre-zoning action and established the list of permitted, conditional and prohibited uses within the PD and included general development standards. 'Motor vehicle, boat and recreational vehicle sales and service' is listed as a permitted use under the existing PD zoning.

The current zoning amendment application is a request to further define the PD zoning for the site specifically to allow motor vehicle sales and service. The applicant has prepared a development plan identifying four auto dealerships (three new and one existing - - The Ford Store). The applicant has also developed, in collaboration with City staff, PD Guidelines specific to auto dealerships. The proposed PD Guidelines include the provisions required of The Ford Store when it was first established.

CASE ANALYSIS

Zoning Amendment – Auto Park PD

The applicant is requesting approval of a zoning amendment to establish a development plan and PD Guidelines for the proposed Auto Park PD. The Auto Park PD will include the existing Ford Store dealership and allow for future construction of three additional dealerships. The Auto Park PD is 25.92 acres in size and is located between Condit Rd. and Highway 101, directly south of Diana Avenue. The current PD zoning of the site lists motor vehicle sales and service as a permitted use.

The development plan proposed by the applicant identifies three new points of access to the project site off Condit Road and two points of access off Diana Avenue. Cross access circulation will be provided between the adjoining dealerships and throughout the PD. The dealership buildings are anticipated to be 32,525 sf to 61,120 sf in size; although, physical construction of the auto dealerships is not proposed at this time. The applicant is requesting approval to establish the development plan and PD Guidelines to help facilitate future development of the site. According to the applicant, the proposed site layout is consistent with actual dealerships in Northern California. Therefore, the applicant is hopeful the plan will accommodate any future interested auto dealer. It should be noted the exact development plan as presented will not be approved as part of the PD zoning. Modifications to the Auto Park PD Development Plan are necessary to comply with the written PD Guidelines. For example, the PD Guidelines require a 30-ft landscape buffer along Condit Road and the freeway and a 15-ft landscape buffer along Diana Avenue. The Auto Park PD Plan shows only a 10-ft buffer along the freeway and Diana Avenue. The PD Guidelines also include provisions for the installation of one, shared use freeway sign to advertise the name of the four auto dealerships. Future development applications within the Auto Park PD

will be required to comply with the established PD Guidelines and be in substantial conformance with the development plan. A separate Design Permit will also be required.

Zoning Amendment – Horizon Land PD

The applicant is requesting approval to amend the existing development plan and PD guidelines for the Horizon Land PD to exclude The Ford Store dealership. With exclusion of The Ford Store, the Horizon Land PD will be built out with the exception of the northern 2.6 acres. This area is planned for a future 56-room motel and 9,500-sf sit down restaurant.

RECOMMENDATION

Staff recommends adoption of the attached Resolutions recommending Council approval of the zoning amendment requests.

Attachments:

1. Zoning Amendment Resolution (ZA-08-06; Auto Park PD)
2. Zoning Amendment Resolution (ZAA-98-16; Horizon Land PD)
3. Project Location Exhibit

RESOLUTION NO. 09-

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL RECOMMENDING APPROVAL OF A ZONING AMENDMENT TO ESTABLISH A DEVELOPMENT PLAN AND GUIDELINES FOR A PLANNED DEVELOPMENT DISTRICT ON A 19.87-ACRE SITE LOCATED AT THE SOUTHWEST CORNER OF CONDIT ROAD AND DIANA AVENUE TO ALLOW FOR THE CONSTRUCTION OF THREE NEW AUTO DEALERSHIPS AND ONE EXISTING DEALERSHIP (APNs 728-17-011, -024 & -025)

WHEREAS, such request was considered by the Planning Commission at their regular meeting of February 24, 2009, at which time the Planning Commission recommended approval of zoning amendment application, ZA-08-06: Condit - Kubo; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES RESOLVE AS FOLLOWS:

- SECTION 1.** The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.
- SECTION 2.** The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.
- SECTION 3.** An environmental initial study has been prepared for this application and has been found complete, correct and in substantial compliance with the requirements of the California Environmental Quality Act. A Mitigated Negative Declaration was filed with the related urban service boundary adjustment and pre-zoning applications which included analysis for future development of the site including auto dealerships.
- SECTION 4.** The Planning Commission hereby recommends approval of a preliminary development plan as contained in that certain series of documents date stamped February 14, 2008, on file in the Community Development Department, entitled "Auto Park PUD" prepared by Fred Goree A.I.A. Architects. These documents, as amended by site and architectural review, show the general location and sizes of all lots in this development and the location and dimensions of all proposed buildings, vehicle and pedestrian circulation ways, parking areas, landscape areas and any other purposeful uses on the project. Modifications to the "Auto Park PUD" development plan are required to comply with the adopted Auto Park PD Guidelines as attached.

SECTION 5. The Planning Commission recommends adoption of the Auto Park PD Guidelines attached as Exhibit A and hereby incorporated by reference. Future development within the PD shall comply with the adopted PD Guidelines.

PASSED AND ADOPTED THIS 24th DAY OF FEBRUARY 2009, AT A REGULAR MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ATTEST:

APPROVED:

FRANCES O. SMITH, Deputy City Clerk

SUSAN KOEPP-BAKER, Chair

‘EXHIBIT A’

A U T O P A R K P D G U I D E L I N E S

REVISED 02/19/2009

Allowed Uses

- AU-1. Uses allowed within this planned development (PD) shall include four (4), motor vehicle sales dealerships for the sale of automobiles, boats, and/or recreational vehicles. The four dealerships shall include the existing Ford Store. Minor and major motor vehicle repair shall also be allowed in the PD provided the repair use is ancillary to the principally permitted motor vehicle sales use and the repair service is provided by the dealership. No independent or freestanding vehicle repair use shall be allowed in the PD.
- AU-2. Any other use proposed in the PD shall require an amendment to the PD Guidelines and zoning.

Design (Site, Building and Landscape)

- D-1. Future development within the PD shall comply with the adopted PD Guidelines as contained herein. The Auto Park PD Development Plan prepared by Fred Goree A.I.A. Architects, dated February 14, 2008, on file at the Community Development Department, identifies an overall master plan for development of the PD; the design and location of all physical and landscape improvements shall be substantially consistent with the Auto Park PD Development Plan. However, the exact plan as presented is not approved as part of the PD zoning. Modifications to the Auto Park PD Development Plan will be necessary to comply with the adopted PD Guidelines.
- D-2. Future development of the PD shall require a Design Permit and shall be subject to compliance with the site development standards of the HC, Highway Commercial Zoning District and the City of Morgan Hill Architectural Review Handbook. At a minimum, the following design measures shall be implemented in the PD:
- a. A minimum 30-ft wide landscape buffer (excluding any landscaping in the public right-of-way) shall be provided along the Condit Road frontage. The 30-ft wide Condit Road landscape buffer shall include rolling berms and minimum 24-inch box size trees.
 - b. A minimum 15-ft wide landscape buffer (excluding any landscaping in the public right-of-way) shall be provided along the Diana Avenue frontage.
 - c. A minimum 30-ft wide landscape buffer shall be provided along the Madrone Channel frontage.
 - d. Areas of required parking shall be landscaped in strict adherence to the Morgan Hill Architectural Review Handbook, including but not limited to the provision of landscape planters and minimum five feet of landscaping between the interior side property lines and parking stalls and/or drive aisles.

- e. A path of travel from the sidewalk to each building shall be provided via a four-ft wide sidewalk set within a minimum 14-ft wide landscape area on at least one side of both internal drive aisles labeled Utility Drive and Sales Avenue on the Auto Park PD Development Plan.
 - f. The buildings for the three new dealerships shall be compatible in design and scale with the existing Ford Store dealership.
 - g. To the greatest extent possible, service bay roll-up doors should not face Condit Road or Diana Avenue. If service bay roll-up doors do face Condit Road and/or Diana Avenue, landscape screening shall be provided to minimize visibility from the public right-of-way.
 - h. Any flag poles installed on-site shall not exceed 30 feet in height, except as may be permitted by approval of a conditional use permit for a telecommunications facility.
- D-3. On-site stormwater detention/retention will be required with development of the site, subject to the review and approval of the Morgan Hill Public Works Department. Detention/retention pond(s) shall not be located within the required Condit Road or Diana Avenue landscape buffers, and there shall be no new storm drainage outfalls directly into Madrone Channel from the project site.

Circulation

- C-1. Cross access circulation shall be maintained between the adjoining dealerships and throughout the PD as shown on the Auto Park PD Development Plan. As part of any future subdivision of the project site, the applicant shall record cross access easements along common drive aisles and reciprocal ingress/egress easements at all driveway entrances.
- C-2. To the greatest extent possible, dead end drive aisles should be avoided. Dead end drive aisles shall only be allowed in areas designated for vehicle display, storage, or temporary parking of service vehicles. Dead end drive aisles shall not be allowed in any public or customer parking areas.
- C-3. The internal drive aisles labeled Utility Drive and Sales Avenue on the Auto Park PD Development Plan shall be a minimum 30 ft in width.
- C-4. Test driving of vehicles shall be limited to Condit Road, Highway 101 and segments of E. Dunne Avenue, Cochrane Road and/or Tennant Avenue required for access to and from the freeway. Test driving of vehicles is prohibited along Murphy Avenue, on Condit Road north of Main Avenue and south of Dunne Avenue and on East Dunne Avenue, east of Condit Road.

Parking

- P-1. The parking and/or display of vehicles in any landscape area are expressly prohibited within the PD.

- P-2. All employee and customer parking shall be clearly marked and shall be provided entirely on-site.
- P-3. Parking required for an ancillary motor vehicle service use shall be calculated separately and in addition to parking required for the principally permitted motor vehicle sale use.

Deliveries/Loading & Unloading

- D/L&U-1. Motor vehicle deliveries to the dealerships shall be restricted to the hours of 9 a.m. to 4 p.m. Monday through Saturday to minimize traffic/circulation conflicts.
- D/L&U-1. All loading and unloading of motor vehicles shall be conducted entirely on-site.

Lighting

- L-1. As part of the Design Permit review process for any future dealership, the applicant shall provide for City review and approval a photometric plan identifying lighting levels resulting from all exterior lighting. Lighting levels at the new dealerships shall be equal to or less intensive than the lighting levels at the existing Ford Store dealership. Also, lighting standards for the PD shall include the following:
 - a. Parking lot lights located between the building and Condit Road and/or Diana Avenue shall not be more than 18 ft in overall height, except that lights located within 85 feet of Condit Road and/or Diana Avenue shall not be more than 15 ft in overall height (e.g., 2'-6" base with 12'-6" pole or 3'-0" base with 12'-0" pole). All other parking lot lights shall not exceed an overall height of 20 ft.
 - b. The existing lights at the Ford Store dealership shall remain at their current height as approved under Building Permit No. BLD2003-01108.
 - c. Flood lights aimed at the sky or used to spot light display areas are expressly prohibited. Accent uplighting of buildings and/or landscaping may be permitted subject to review and approval of the required Design Permit.
- L-2. All lighting shall be shielded and directed in such a manner so as not to produce harmful effects upon neighboring property. Adjustments to the lighting intensity may be required after commencement of the use.

Signage

- S-1. One (1) shared use freeway sign advertising the names of the four dealerships shall be allowed for the Auto Park PD. The freeway sign shall be designed in accordance with the provisions of the City Sign Code.
- S-2. All signage shall comply with Chapter 18.76, Sign Code, of the Morgan Hill Municipal Code and require sign permits prior to installation.

- S-3. Individually mounted channel letters shall be utilized for building attached signs.
- S-4. The use of flags, banners, tassels, balloons or other inflatable objects is prohibited in the PD except as expressly permitted in Chapter 18.76, Sign Code, of the Morgan Hill Municipal Code.

Noise

- N-1. The use of any exterior public address system or other noise intrusive communication system is expressly prohibited in the PD.

General Provisions

- GP-1. Any modification to these PD Guidelines shall be subject to review and approval of a PD Amendment.

RESOLUTION NO. 09-__

**A RESOLUTION OF THE PLANNING COMMISSION OF
THE CITY OF MORGAN HILL RECOMMENDING
APPROVAL TO AMEND THE DEVELOPMENT PLAN
AND GUIDELINES FOR THE HORIZON LAND PD
LOCATED AT THE NORTHEAST QUADRANT OF E.
DUNNE AVE. AND HWY 101 TO EXCLUDE THE FORD
STORE DEALERSHIP SITE (APN 728-17-026)**

WHEREAS, on October 6, 1999, the City Council adopted Ordinance No. 1444, N.S., establishing a preliminary plan and guidelines for a planned development (PD) area located at the northeast quadrant of E. Dunne Avenue and Highway 101; and

WHEREAS, the PD, referred to hereafter as the "Horizon Land PD," is 12.25 acres and included the Holiday Inn Express, McDonald's, Jack in the Box, gas station, and 8.65 acres of undeveloped land (APNs 728-17-006, -020, -021, -026 & -027); and

WHEREAS, on July 2, 2003, the City Council adopted Ordinance No. 1621, N.S., amending the Horizon Land PD development plan and guidelines to include The Ford Store dealership on the northern 6.05 acres of undeveloped land in the Horizon Land PD; and

WHEREAS, the applicant has submitted a separate zoning amendment application (ZA-08-06: Condit-Kubo) to establish an auto park planned development on the properties located directly north of the Horizon Land PD; and

WHEREAS, the applicant is requesting to amend the Horizon Land PD development plan and guidelines to exclude The Ford Store site from the Horizon Land PD so that it may be included in the adjacent Auto Park PD; and

WHEREAS, removal of The Ford Store site will reduce the size of the Horizon Land PD from 12.25 acres to 6.2 acres with 2.6 acres remaining of undeveloped land; and

WHEREAS, such request was considered by the Planning Commission at their regular meeting of February 24, 2009, at which time the Planning Commission recommended approval of zoning amendment application, ZAA-98-16B: Condit – Horizon Land/Ford Store; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

**NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES
RESOLVE AS FOLLOWS:**

SECTION 1. The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.

- SECTION 2.** The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.
- SECTION 3.** An environmental initial study has been prepared for this application and is complete, correct and in substantial compliance with the requirements of California Environmental Quality Act. A mitigated Negative Declaration was filed with establishment of and previous amendment to the Horizon Land PD.
- SECTION 4.** The Planning Commission hereby recommends approval to amend the Horizon Land PD development plan as contained in that certain series of documents date stamped May 20, 2003 on file in the Community Development Department, entitled "The Ford Store at Morgan Hill" prepared by Fred Goree A.I.A., Architects to exclude the northern 6.05 acres of land containing The Ford Store.
- SECTION 5.** The Planning Commission recommends approval to amend the Horizon Land PD Guidelines as attached in Exhibit A and hereby incorporated by reference to exclude provisions regarding auto dealerships in the PD.
- SECTION 6.** Approval of this zoning amendment application applies only to the exclusion of The Ford Store dealership and site from the Horizon Land PD. All other sites and uses (existing and future) located within the Horizon Land PD shall comply with the adopted PD Guidelines.

PASSED AND ADOPTED THIS 24th DAY OF FEBRUARY 2009, AT A REGULAR MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ATTEST:

APPROVED:

FRANCES O. SMITH, Deputy City Clerk

SUSAN KOEPP-BAKER, Chair

‘EXHIBIT A’

HORIZON LAND PUD GUIDELINES

(APNs 728-17-006, -020, -021, & -027)

Allowed Uses

1. Uses allowed within the PUD shall include all permitted uses of the Highway Commercial zoning district, as specified in the City of Morgan Hill Planning and Zoning Codes, Chapter 18.26, as well as conditionally permitted uses of the Highway Commercial zoning district, subject to issuance of a conditional use permit. Exceptions to permitted and conditionally permitted uses within the PUD include the following:
 - A. A maximum of two hotels shall be permitted within the PUD, including the existing Holiday Express, not to exceed 84 room occupancy and one additional new hotel, not to exceed 56 room occupancy;
 - B. No restaurants with drive-up windows/menu boards, including “quick stop” restaurants, shall be permitted within the PUD, other than the existing Jack-in-the-Box and McDonald’s restaurants; and
 - C. No gas stations other than the existing “Gas and Food” facility shall be permitted within the PUD.

Appurtenant Uses/Devices

2. Uses within the PUD that utilize shopping carts shall provide indoor storage of the carts and shall provide for collection areas throughout the parking lots.
3. Vending machines, rides, newspaper racks or any coin operated devices shall not be placed on the exterior of the retail buildings.

Architecture/Site Planning

4. The general aesthetic character of the building exteriors shall be of a harmonious architectural theme.
 - a. Use of structural, architectural design elements, i.e. corridors, arches, modified arches, columns,
 - b. Earthen colors. Colors range from grays, yellows, bone, browns and rust.
 - c. Wall relief (graphics, three dimensional design, etc.)
 - d. Strong window statement (treatment of frame, wood mullions and border.)
 - e. Roof materials on gabled or hipped roofs shall be colored roof tiles, satin finish (non-glossy), barrel type.
 - f. Materials, textures, color and details shall be appropriate expressions of its design concept and function.
5. The existing “Holiday Inn Express” or a replacement motel building on that same site shall be limited to no more than three stories and 35 feet in height. All other buildings within the PUD shall not exceed two stories.

6. Rooflines, except for the existing Holiday Inn Express, shall vary in height, not to exceed 30 ft., and shall incorporate a maximum of two varying roof types (e.g., hip, gable) or a minimum of two varying roof heights will be provided on flat roofed structures.
7. Structures shall incorporate breaks in horizontal planes by stepping or staggering setbacks and recessing windows and entrances, to provide substance and scale.
8. Doors and windows shall be enhanced by use of various sizes and shapes, and highlighted by the use of accent trim or accent colored window framing.
9. The number of materials on the exterior elevation shall be limited to prevent visual overload.
10. All exterior wall elevations visible from and/or facing public roadways shall have architectural treatment. No building surface fronting on a public roadway shall have a flat, void surface without architectural treatment.
11. Facade architectural treatment shall be applied to all building elevations with the same degree of detail as the building entrance.
12. No franchise architecture shall be permitted. Building designs shall incorporate harmonious architectural elements identified in Item No. 4, above, in order to achieve the desired design objectives of the PUD and to create building products that are unique to the City of Morgan Hill.
13. The design criteria for the development shall be included within the CC&R's.
14. Buildings at the front setback shall provide public access.
15. The design shall be compatible with the immediate environment and provide harmonious transition between various commercial uses.
16. No mechanical equipment shall be exposed on the wall surface of a building.
17. Mechanical and utility equipment shall be located below the roofline or parapet wall and out of public view. Location within the building or at ground level is preferred to roof mounting. When such equipment cannot be so located, all roof-mounted mechanical equipment or ductwork which project vertically above the roof or roof parapet shall be screened by an enclosure which is detailed consistently with the building design.
18. Gutters and downspouts shall be designed elements of the project. Gutters and downspouts that are designed with parapet walls shall be located interior to the wall when adjacent to a roadway frontage. All other gutters and downspouts that cannot be located interior to the wall shall be treated to blend into the facade to which it is attached, unless used as a major design element, in which case the color shall be consistent with the color schemes of the building.
19. All outdoor storage of goods, materials or equipment shall be visually screened up to 8 ft. in vertical height. The screening shall be designed as an integral part of the building design and site layout. Chain link fencing with wood inserts is not an acceptable manner of screening.

20. Trash enclosures shall be constructed of solid masonry material, consistent with the buildings on-site, and shall be a minimum 6 ft. in height, with solid view obstructing gates. Trash enclosures shall be located in inconspicuous locations.
21. Fences and walls shall be designed to be compatible with the surrounding landscape and architectural concepts.
22. Approved numbers or addresses shall be placed on all new and existing buildings in such a position as to be plainly visible and legible from the street or road fronting the property.
23. All buildings shall be protected by an approved automatic fire sprinkler system, per City of Morgan Hill Ordinance.
24. The amount and arrangement of open space and landscaping shall be appropriate to the design and function of the structure.
25. Landscaping shall be compatible with and complement the site planning as well as the design of the building.
26. A representative site plan for the entire PUD which illustrates building envelopes, parking areas, pedestrian access, landscaping, reciprocal easements, sign location, storm water detention and other features shall be included in the development standards. Drawings of building elevations, which embody the style and design concepts for the PUD and represent the level of architectural quality to be achieved, shall be included.
27. Provisions for connecting driveways and walkways with adjacent property owners are to be provided for in each design.
28. Parking lots are to be designed to include curb planters around existing trees where possible.
29. Compressors shall be screened by a wall or fence and be located below the fascia and/or roofline of the building. Further, they shall be located on the rear or hidden side of the building and shall be painted to match the surface to which attached, if that surface is visible.
30. Any future changes in color palette for any building within the Horizon Land PUD shall be reviewed and approved by the Architectural Review Board.
31. All plans shall be subject to site approval by the City of Morgan Hill.

Easements

32. Easements for the installation and maintenance of utilities, walkways, future roads and drainage facilities, and shared driveways shall be recorded as part of any subdivision map or lot line adjustment. Other easements, such as paved parking shall be recorded as an offer of easement if secondary users are unknown.

Grading

33. The practice of balanced grading shall be implemented to the greatest extent possible.

Landscaping

Design criteria for landscaping shall be consistent throughout the PUD. Each development within the PUD shall follow the requirements contained herein when preparing their landscaping plans. Additional landscaping design criteria is available from the City of Morgan Hill, Planning Division.

34. The general characteristics of the plant palette for the PUD shall be a combination of year round color and textural interest. Plants shall be selected on the basis of color combinations, growth patterns, low maintenance and water conservation characteristics. At time of installation, the tree sizes shall be a minimum of 15 gallon and 24 inch box material.
35. At time of installation, all shrub planting shall be a minimum of 5-gallon size, unless otherwise approved by the Community Development Department. Minimum 15-gallon containers shall be installed along the project frontage(s) with minimum shrub height of three feet, unless otherwise required by the Architectural Review Board.
36. All street trees and trees planted within the front setback areas shall be a minimum of 24-inch box size.
37. The street trees shall be consistent with the City Morgan Hill Master Street Tree program.
38. A minimum 30-foot wide landscape area (excluding any landscaping in the right of way) shall be provided adjacent to all public streets within the PUD.
39. Landscaping shall be placed adjacent to a minimum of 50 percent of a building's perimeter.
40. Landscaping at the entrance of a building shall include box size and/or accent trees to create a focal point to help direct people to the building entrance.
41. Native oaks and fieldstones shall be incorporated into the landscape plan.
42. A minimum of 15 percent of all required parking areas shall be landscaped. Required setback and perimeter planting areas shall not be counted in this area, but may include the building perimeter landscaping.
43. A canopy like tree shall be planted in the parking lot planter islands to produce shade.
44. The entrance to the PUD shall be well landscaped and serve as a focal point.
45. Landscaping shall be compatible with, and complement the site planning, as well as the architecture of the building. Plantings in parking lots shall help soften and visually tie the buildings to landscaping.
46. Shrubs and vine planting shall be provided to screen utilities and trash enclosures.

47. The developer shall be required to follow the landscape design criteria, which is available from the City of Morgan Hill, Community Development Department. A landscape buffer shall be established, as required, to provide screening and noise abatement from the highway.
48. All parking areas shall be screened from view of public streets by use of berming or masonry walls of a minimum three-foot effective height.
49. Proper trimming and pruning of trees within the Horizon Land PUD will be monitored by the City of Morgan Hill. The improper "Topping" of trees will be prohibited.
50. Any future alterations or modifications of the landscaping within the Horizon Land PUD shall be reviewed and approved by the Architectural Review Board.
- 50a. Landscaping and berming within the 30-foot Condit Road frontage shall be designed so as to mitigate noise generated on site.

Lighting

51. The design of the exterior building lighting and parking lot lighting fixtures shall be compatible with the architecture to be used in the development.
- ~~51. As part of the site and architectural review process, a City-issued photometric study shall be conducted to evaluate on-site lighting on the automobile dealership site. The photometric study shall identify appropriate lighting levels to minimize light and glare impacts on adjacent properties, in particular the residential-zoned properties to the east across Condit Road. At a minimum, lighting levels shall be less intensive than the lighting levels at the existing Chevrolet dealership located at the northwest quadrant of E. Dunne Avenue and Highway 101. The project applicant shall be responsible for the cost of the study, as well as implementation of required mitigation measures. The photometric study shall be reviewed and approved by the Architectural Review Board.~~
52. Lighting for pedestrian pathways shall be reduced in height and scale, to create a more human-scale feeling and atmosphere.
53. All lighting shall be shielded and directed in such a manner so as not to produce harmful effects upon neighboring property.
54. The lighting for all of the uses within the PUD shall be subject to review and approval of the Community Development Director. Adjustments to the lighting intensity may be requested after commencement of the use.

Parking and Loading/Circulation

55. Parking shall be screened from public view through the use of berming, hedgerow planting, shrubs, trees, fences or walls, or any combination thereof, provided that no more than 35% of the total screening shall consist of fences or walls. At time of installation, shrub plantings shall be minimum 5-gallon size, trees shall be a minimum 15-gallon, and berming/fences/walls shall be a minimum 3 ft. in height.

56. No angled parking or one-way drive aisles shall be utilized in the parking lot.
57. A maximum of one-third of total parking for the Planned Unit Development (PUD) shall be allowed to front Condit Road, or be located in front of the main development frontage ~~with the exception of auto sales related retail.~~
58. Parking for the restaurant parcel shall be restricted to the rear or side of the building, and shall not front Condit Road.
59. Parking areas shall be designed to include provision for pedestrian walkways to provide access to building entrances. Walkways that cross traffic lanes shall have special design features such as raised and/or textured pavement, narrowed roadway, or combination thereof. Walkways shall be provided through landscaped areas to protect landscaping from foot traffic damage.
60. Parking areas of adjoining property owners shall be located to utilize shared or reciprocal access and shared parking whenever possible.
61. Loading areas and docks shall be screened from view by a solid wall. The wall shall be architecturally treated and screened with landscaping. Loading areas shall not be located adjacent to or visible from Condit Road or Dunne Avenue.
- ~~62. Truck deliveries to the Ford dealership shall be restricted to the hours of 9 a.m. to 4 p.m., Monday through Saturday, to minimize traffic/circulation conflicts, and loading/unloading of automobiles shall be conducted entirely on-site. Truck deliveries to all other uses in the PUD shall be limited to 7 a.m. to 7 p.m., Monday through Saturday.~~
6362. Parking lots shall be designed to provide for safe and efficient movement of vehicles between properties by providing joint access easements and reciprocal easements wherever possible.
- 63a. All employee and customer parking shall be provided on-site.
64. Cross access easements and drive aisles shall be provided throughout the PUD.
65. Drive aisles shall allow for complete circulation within the PUD, with sufficient width for emergency vehicles, and shall not include dead end drive aisles.
66. PUD driveways shall align with those across the street.
67. Drive aisles shall align and be situated perpendicular to the main building frontage.
68. Adequate auto stack-up areas shall be designed to permit a minimum of two cars to enter the parking lot area without obstructing either street through traffic or vehicle backup areas within the parking lot.
69. The number of curb cuts connecting the site with collector or arterial streets shall be minimized.

70. Mutual access easements and mutual driveways shall be used to minimize paved areas and curb cuts.
71. A minimum of a 5 ft. wide walkways or landscaping shall be provided around architectural features to provide a visual of pedestrians crossing into the drive aisle from the storefronts.
72. Access to the property and circulation thereon shall be safe and convenient for pedestrians, cyclists, and vehicles. Vertical and horizontal sight lines shall be sufficient to ensure safe vehicular and pedestrian movements.
- ~~72a. Test driving of vehicles shall be limited to Condit Road, Highway 101 and segments of E. Dunne Avenue, Cochrane Road and/or Tennant Avenue required for access to and from the freeway. Test driving of vehicles is prohibited along Murphy Avenue, on Condit Road north of Main Avenue and south of Dunne Avenue and on East Dunne Avenue, east of Condit Road.~~**

Signage/Displays

73. A uniform sign program identifying locations of signs both on- and off-site shall be prepared for review and approval of the Community Development Department, as part of the Architectural and Site Review Process.
74. PUDs which are, due to their location, eligible for freeway signage shall utilize a single freeway sign consistent with the provisions of the City sign ordinance.
75. Monument freestanding signs shall be allowed for those uses located adjacent to the Condit Road frontage, in compliance with the City of Morgan Hill Planning and Zoning Codes, Section 18.76.250.
76. Signs shall be approved by the City of Morgan Hill at the time of site review. Signs shall have design elements and colors consistent with the Mediterranean architecture theme of the PUD. Individually mounted channel letters shall be utilized for building attached signs.
77. Address numbers shall contrast with their background, and shall be six inches in height. Address numbers shall also occur on the monument sign.
78. ~~With the exception of automobile display, n~~ No exterior retail displays shall be allowed.

Utilities

79. There shall be shared use storm water detention facilities. Location and method of storm water mitigation shall be reviewed and approved as part of the Architectural and Site Review process.
80. A maximum of one detention pond, or one interlinked detention pond system with one outfall into the Madrone Channel, shall be used to serve the entire development. The detention pond shall not be located within any setback area and shall not be visible from any public street.

81. All backflow devices, fire risers and check valves shall be screened with landscaping.
82. All future development applications shall be subject to review and condition of the appropriate utility and public service providers for the City of Morgan Hill.
83. No utility equipment shall be located within the front setback area unless placed within an underground vault. All transformers shall be located interior to the site, outside of the front setback area, and shall be screened with landscape material.

Noise

84. Uses within the PUD shall not use any exterior public address systems or other noise intrusive communication systems.

General Provisions

85. Any modification to these PUD Guidelines shall be subject to review and approval of a PUD Guidelines Amendment.
86. Any flag poles installed on-site shall not exceed 30 feet in height.



0 130 260 520 780 1,040 Feet



ZA-08-06: Condit - Kubo

**Proposed Auto Park PD
Location Exhibit**





0 130 260 520 780 1,040 Feet



ZAA-98-16B: Condit - Horizon Land

**Proposed Horizon Land PD
Location Exhibit**





MEMORANDUM

To: PLANNING COMMISSION

Date: February 24, 2009

From: COMMUNITY DEVELOPMENT DEPARTMENT

**Subject: CONDITIONAL USE PERMIT APPLICATION, UP-09-01: MONTEREY -
CITY OF MORGAN HILL (INTERIM PARKING LOT)**

REQUEST

The City is requesting approval of a conditional use permit to construct an interim public parking lot on a 0.26-acre site located at 17270 Monterey Road in the CC-R, Central Commercial-Residential Zoning District (APNs 726-13-038 & -039).

RECOMMENDATION

Environmental Assessment:	The project is categorically exempt from CEQA under Section 15304(e), Minor Alterations to Land, Section 15311(b), Accessory Structures; and Section 15332, In-Fill Development Projects
Application UP-09-01:	Adopt Resolution recommending Council approval of the Conditional Use Permit
Processing Deadline:	July 26, 2009

SITE DESCRIPTION

Location:	Eighty feet south of southeast corner of Third Street and Monterey Road
Site Area:	11,200 sf (0.26 ac.)
Zoning:	CC-R, Central Commercial-Residential
General Plan:	Mixed Use

BACKGROUND/CASE ANALYSIS

The City of Morgan Hill Public Works Department is requesting approval to construct an interim public parking lot at 17270 Monterey Road. The zoning for the property is CC-R in which public parking lots are listed as a conditional use. Typically, conditional use permits are approved by the Planning Commission. However, the use permit application is being processed concurrently with

a related design permit application that requires City Council approval; therefore, the Council will have final approval authority on both the Conditional Use and Design Permit requests.

USE PERMIT FINDINGS

The required findings for a Conditional Use Permit are contained in Section 18.54.050 of the Municipal Code and read as follows:

- A. The site is suitable and adequate for the proposed use.
- B. The proposed use and design would not have a substantial adverse effect on traffic circulation and on the planned capacity of the street system.
- C. The proposed use at the location will not adversely affect the peace, health, safety, morals, or welfare of persons residing or working in the surrounding area, or impair the utility or value of property of other persons located in vicinity of site, or be detrimental to public health, safety or general welfare.
- D. The design of the project is compatible with existing and proposed development within the district and its surroundings.

Site Suitability:

The project site consists of undeveloped land with fairly level grades and contains three mature trees: 1) a 21-in. diameter valley oak considered to be in average health located at the southeast corner of the site; 2) an almond tree in poor to fair health with two scaffold branches measuring 13.1 and 12.7 inches in diameter; and 3) a deodar cedar tree with a trunk measuring 21.2 inches in diameter; this tree is considered to be in average to very good health. Frontage improvements along the project site include curb, gutter, sidewalk, street trees, and a driveway apron. Surrounding uses include commercial development and parking to the north, a restaurant to the south, vacant undeveloped land to the east, and commercial development to the west across Monterey Road.

The project proposes to build a surface parking lot with 13 parking spaces. The interim public parking lot is intended to serve the surrounding downtown area during construction activity of nearby projects, including the Third Street Promenade project. Access to the site will be provided via a new, 26-ft wide ingress/egress driveway proposed in the location of the existing driveway on Monterey Road; the existing driveway is only 20 ft wide. The project will remove two existing trees (almond tree and deodar cedar), but will retain the valley oak at the southeast corner of the site. The project was originally designed to incorporate the almond tree in the parking lot plan. However, the arborist report determined the tree is not worthy of retention and recommended its removal. It should be noted the Public Works Department is also investigating the possibility of connecting the proposed parking lot with the existing lot to the north in order to provide cross access between the two lots and two points of ingress/egress for the parking areas. However, site constraints including a grade difference between the two lots and an existing trash enclosure and tree to the north may prevent a two-way cross connection. As currently shown on the plans, a 16-ft wide, one-way drive aisle is proposed.

The parking lot is proposed on an in-fill site located between an existing liquor store and parking lot to the north and restaurant to the south. The site is suitable for the proposed project based on its physical characteristics and its proximity to Third Street. After the interim three-year period elapses, the site is anticipated to be developed in accordance with the Downtown Specific Plan.

Circulation:

The interim public parking lot will be located on the east side of Monterey Road, approximately 80 ft south of the Third Street intersection. An approximate 20-ft wide driveway curb cut exists along the project frontage. The project proposes to replace the existing driveway with a new, 26-ft wide driveway to accommodate ingress and egress for the site. Thirteen angled parking spaces designed to city standards will be provided along a one-way drive aisle. As noted above, the Public Works Department is investigating the possibility of connecting the proposed parking lot with the existing lot to the north in order to provide cross access between the two lots and two points of ingress/egress. However, site constraints including a grade difference between the two lots and an existing trash enclosure and tree may prevent a two-way cross connection. As currently shown on the plans, a 16-ft wide, one-way drive aisle is proposed. The proposed project is anticipated to facilitate vehicular circulation in the downtown area by providing parking during construction activity of nearby projects. The proposed use and design is not anticipated to have a substantial adverse effect on traffic circulation or on the planned capacity of the street system.

General Welfare:

The proposed use is an interim, three-year public parking lot in the downtown area. The site is currently undeveloped land consisting of three mature trees, one of which is in poor to fair health. Surrounding uses include a liquor store and parking lot to the north, restaurant to the south, undeveloped land zoned for commercial and residential development to the east, and commercial uses to the west across Monterey Road. The project will benefit surrounding uses by providing parking during construction activity of nearby projects. The parking lot use is not anticipated to create any adverse impacts on neighboring uses or on persons residing in the community.

Design Compatibility:

The project proposes the construction of a surface public parking lot consisting of 13 spaces. Site improvements will include striping, new parking lot lights, an on-site detention pond, crushed rock swales around the site perimeter, and minimal landscaping along the Monterey frontage and in two, new landscape planters. Proposed landscaping will consist of evergreen shrubs with mulch. The existing valley oak located near the southeast corner of the site will be preserved and has been incorporated into the parking lot plan. As previously noted, the parking lot was designed to also incorporate the existing almond tree on-site. However, the project arborist report found the tree to be in poor to fair health and recommended its removal. Evergreen shrubs will be planted in place of the almond tree. The proposed parking lot lights will be decorative fixtures similar in style to the existing Sternberg fixtures found throughout downtown. It should be noted the City investigated the potential use of pervious pavement for the interim lot. However, based on soil samples collected in the project vicinity, it was determined the site would not be a suitable candidate for pervious pavement. A separate Design Permit is required for the proposed parking lot project which is subject to review by the City's Architectural Review Board and approval by the City Council. Given the interim nature of the surface parking lot and its adjacency to an existing parking lot, the design of the proposed parking lot is not anticipated to conflict with the surrounding built environment.

RECOMMENDATION

Staff believes the findings required for approval of a Conditional Use Permit can be made for the construction of an interim public parking lot at 17270 Monterey Road. Staff recommends approval of use permit application, UP-09-01: Monterey – City of Morgan Hill (Parking Lot), subject to the findings and conditions of the attached resolution.

Attachments:

1. Approval Resolution
2. Letter of Justification and Statement of Proposed Operations
3. Location Map

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RESOLUTION NO. 09-__

**A RESOLUTION OF THE PLANNING COMMISSION
OF THE CITY OF MORGAN HILL RECOMMENDING
APPROVAL OF A CONDITIONAL USE PERMIT TO
CONSTRUCT AND OPERATE AN INTERIM PUBLIC
PARKING LOT ON A 0.26-ACRE SITE LOCATED AT
17270 MONTEREY ROAD IN THE CC-R, CENTRAL
COMMERCIAL-RESIDENTIAL ZONING DISTRICT
(APNs 726-13-038 & -039)**

WHEREAS, such request was considered by the Planning Commission at their regular meeting of February 24, 2009, at which time the Planning Commission recommended approval of application UP-09-01: Monterey – City of Morgan Hill (Parking Lot); and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES RESOLVE AS FOLLOWS:

- SECTION 1.** The proposed project is consistent with the Zoning Ordinance and the General Plan.
- SECTION 2.** The project is categorically exempt from CEQA under Section 15304(e), Minor Alterations to Land; Section 15311(b), Accessory Structures; and Section 15332, In-Fill Development Projects
- SECTION 3.** The proposed conditional use has been found consistent with the criteria for use permit approval contained in Section 18.54.050 of the Zoning Code.
- SECTION 4.** The Planning Commission recommends the project be subject to the following conditions:
- a. The Conditional Use Permit approval for the interim, surface public parking lot shall be valid for a period not to exceed three years. Any extension of this three-year timeframe shall require an amendment to the Conditional Use Permit.
 - b. Submit two (2) signed copies of Resolution No. 09-__ to the Planning Division prior to issuance of building permits.
- SECTION 5.** The Planning Commission hereby recommends approval of a conditional use permit for the construction and operation of an interim, surface public parking lot at 17270 Monterey Road, as identified in the plan titled, "Interim Public Parking Lot," prepared by the City of Morgan Hill Public Works Department, date stamped Jan. 26, 2009.

PASSED AND ADOPTED THIS 24TH DAY OF FEBRUARY 2009, AT A REGULAR MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ATTEST:

APPROVED:

FRANCES O. SMITH, Deputy City Clerk

SUSAN KOEPP-BAKER, Chair



PUBLIC WORKS DEPARTMENT
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MORGAN HILL, CA 95037-5301
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February 19, 2009

City of Morgan Hill
Community Development
17555 Peak Avenue
Morgan Hill, Ca 95037

**Re: 17270 Monterey Road - 3 year Interim Public Parking Lot
Letter of Justification and
Statement of Proposed Operations**

Dear Ms. Tolentino:

Justification

The subject parking lot location is placed over two parcels identified by APN's 726-13-038 & 039 (17270 Monterey Road) between 3rd and 4th Street in the Downtown area. The project proposes to provide a 3-year interim public parking lot, which will provide approximately 13 public parking stalls. The site is 80 feet wide (along Monterey Road frontage) by 140 feet deep, vacant, and the grades are fairly level, which makes the site suitable and adequate for the proposed use.

The proposed parking lot will maintain the existing driveway onto Monterey Road, which will not have an adverse effect on the traffic circulation and on the planned capacity of the street system. The proposed lot will connect to an existing parking lot servicing Simple Beverages and Cigar located at the southeast corner of Monterey Road and Third Street. The proposed striping of the lot will allow for interconnected circulation between the two lots.

The Third Street Promenade project is designed to make Third Street a more pedestrian-friendly thoroughfare which will result in the loss of approximately 35 on-street parking spaces. The purpose of the proposed parking lot is to help offset the parking opportunities lost with the Third Street Promenade project as well as provide additional public parking for the Downtown area closer to Monterey Road. The proposed parking lot will not:

- a. Adversely affect the peace, health, safety, morals or welfare of persons residing or working in the surrounding area; or
- b. Impair the utility or value of property of other persons located in the vicinity of the site;
or
- c. Be detrimental to public health, safety or general welfare.

To the north and south of the proposed parking lot are active restaurants and professional offices. The addition of the parking lot will be compatible with the existing area and the proposed Third Street Promenade development within Downtown and its surroundings.

The proposed parking lot will not allow retail sales of groceries, food, or beverage items upon automobile service station on the premises.

Statement of Proposed Operations

A Conditional Use Permit is requested for the use of a three year interim public parking lot on the two vacant parcels identified as APN's 726-13-038 & 039, which will provide 13 parking spaces for the surrounding downtown area to use. The parking lot will also help offset the 35 lost parking spaces from the development of the Third Street Promenade project.

The hours of operation are to be 24 hours a day Monday through Sunday.

The parking lot itself will not specifically generate daily trips as it will serve as public parking lot for the surrounding businesses.

Please call if you have any questions or comments.

Sincerely,

Charlie Ha
Assistant Engineer
Public Works Department



UP-09-01/SR-09-01: MONTEREY - CITY OF MORGAN HILL (PARKING LOT)

Location Map

